

# DEPARTMENT OF THE ARMY

## FY 1999 AMENDED BUDGET ESTIMATES

*Submitted to Congress, February 1998*



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MILITARY PERSONNEL, ARMY

DEPARTMENT OF THE ARMY  
JUSTIFICATION OF ESTIMATES FOR FY 1999

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SECTION 1  
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
<b>DIRECT PROGRAM</b>			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 5,861,148	\$ 5,737,904	\$ 5,908,249
PAY AND ALLOWANCES FOR ENLISTED.....	12,422,590	12,337,842	12,497,576
PAY AND ALLOWANCES FOR CADETS.....	36,903	38,679	39,084
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,134,443	1,065,781	1,101,332
PERMANENT CHANGE OF STATION TRAVEL.....	1,056,245	1,064,845	1,090,547
OTHER MILITARY PERSONNEL COSTS.....	226,681	207,006	365,063
<b>TOTAL DIRECT PROGRAM.....</b>	<b>\$ 20,738,010</b>	<b>\$ 20,452,057</b>	<b>\$ 21,002,051</b>
<b>REIMBURSABLE PROGRAM</b>			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 73,121	\$ 76,392	\$ 79,319
PAY AND ALLOWANCES FOR ENLISTED.....	68,921	64,102	65,647
SUBSISTENCE OF ENLISTED PERSONNEL.....	56,998	58,423	39,884
PERMANENT CHANGE OF STATION TRAVEL.....	8,000	8,000	8,000
OTHER MILITARY PERSONNEL COSTS.....	260	150	150
<b>TOTAL REIMBURSABLE PROGRAM.....</b>	<b>\$ 207,300</b>	<b>\$ 207,067</b>	<b>\$ 193,000</b>
<b>TOTAL PROGRAM</b>			
PAY AND ALLOWANCES FOR OFFICERS.....	\$ 5,934,269	\$ 5,814,296	\$ 5,987,568
PAY AND ALLOWANCES FOR ENLISTED.....	12,491,511	12,401,944	12,563,223
PAY AND ALLOWANCES FOR CADETS.....	36,903	38,679	39,084
SUBSISTENCE OF ENLISTED PERSONNEL.....	1,191,441	1,124,204	1,141,416
PERMANENT CHANGE OF STATION TRAVEL.....	1,064,245	1,072,845	1,098,547
OTHER MILITARY PERSONNEL COSTS.....	226,941	207,156	365,213
<b>TOTAL OBLIGATIONS.....</b>	<b>\$ 20,945,310</b>	<b>\$ 20,659,124</b>	<b>\$ 21,195,051</b>

## Section 2 Introduction

The Military Personnel, Army (MPA) appropriation provides resources to compensate active military personnel required to man the approved force structure. In addition to personnel in the force structure, the appropriation also provides compensation for personnel in the individuals accounts: students, trainees, transients, cadets, and holdees (holdees include patients and others). The manning goal is to provide, in a timely manner, the right number of high quality people in the appropriate grades and skills to satisfy force structure authorizations. Accomplishment of this goal will ensure a high degree of personnel readiness and combat readiness in units.

### Management Characteristics of MPA

MPA is a centrally managed, single-year, open allotment appropriation. Entitlements are set by statute with the biggest cost driver being the average number of personnel on active duty. There are other factors such as overseas strength, marital content, and personnel policy which also impact heavily on costs in this appropriation.

Most of the factors that dictate costs cannot be changed quickly. For example, the savings accrued from a decision to reduce strength may not be fully realized for several years. There are a number of reasons for this. On the dollar side, one-time costs for severance pay, voluntary separation pay, and lump-sum-terminal-leave pay offset pay and allowances savings during the implementation years of a drawdown. In terms of manpower, (e.g. manyears, grade structure, time-in-service) costs will vary greatly depending on when personnel are separated during a year, how they are separated, and the size of population separated.

The Army has very little near term control over the rates of pay soldiers receive. The predominance of pay rates are fixed by Congress. Other factors, such as inflation and foreign currency exchange rates, also impact some rates and are outside the Army's control

### Active Army Program

Estimates are based on Active Army end strengths that reflect the recommendations of the Quadrennial Defense Review. Since the FY98 President's Budget the following net changes are reflected:

	FY97 *	FY98 **	FY99 ***
TOA (\$MILLIONS)	\$+183.5	\$-77.2	\$-28.1
END STRENGTH	-3,293	-10,000	-15,000

\* FY97 includes Contingency Costs.

\*\* FY98 includes partial funding for Contingency Costs.

\*\*\* FY99 does not include Contingency Costs.



**Key budget assumptions used to develop these estimates include:**

- FY98/99 estimates for overseas station allowances are based on rates of exchange of 1.79 DM/\$1 US (COLA Index = 114). Beginning with FY97, MPA is included in the Foreign Currency Fluctuation Account.
- Pay raise estimates are based on 1 January implementation. The FY98 pay raise is budgeted at 2.8 percent. The FY99 pay raise is budgeted at 3.1 percent.
- The normal cost percentages (NCP) used to calculate payments to the military retired pay trust fund are 30.5% in FY98 and 30.2% in FY99. These rates are set by the DoD Board of Actuaries.
- The FY98/99 estimates in this budget fully fund the Active Army manpower program required to man the force at the levels described. There is very limited flexibility in the budget for non-programmatic reductions.
- New entitlements or changes to existing entitlements authorized by Congress in FY98 are fully funded in the FY99 estimate. These include:

Increase Family Separation Pay to \$100/month	\$ 7.0
Realign Aviation Career Incentive Pay	\$ 7.1
Implement Basic Housing Allowance (BAH)	\$ 0.0
Increase Hazard Duty Pay to \$150/month	\$18.6
Basic Allowance for Subsistence (Save Pay)	\$ 4.5
Realign Variable/Additional Special Pay for Dentist	\$ 8.2
TOTAL COST (\$ in Millions)	<u>\$45.4</u>

In addition, this budget includes the transition of the various Housing Allowances into a single into a single Basic Allowance for Housing as authorized by Congress. There is no additional cost for this change.

- There is one FY99 Legislative Proposal that affects MPA. It is for authorization to add primary duty firefighters as eligible for Hazardous Duty Pay. The FY99 estimate is \$0.1 million and is included in the FY99 estimate.
- FY99 estimates include \$161.0 million to increase Obligational Authority for Payment of Advances to Soldiers. This is a one-time cost to be incurred only in FY99.

SECTION 3  
SUMMARY OF MILITARY PERSONNEL STRENGTH

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE STRENGTH	END STRENGTH		AVERAGE STRENGTH	END STRENGTH		AVERAGE STRENGTH	END STRENGTH	
<b>DIRECT PROGRAM</b>									
OFFICERS.....	80,143	78,428		79,041	78,403		77,800	77,025	
ENLISTED.....	405,377	406,985		402,723	403,609		396,776	397,026	
ACADEMY CADETS.....	3,902	4,065		3,810	4,000		3,774	4,000	
<b>TOTAL DIRECT PROGRAM.....</b>	<b>489,422</b>	<b>489,478</b>		<b>485,574</b>	<b>486,012</b>		<b>478,350</b>	<b>478,051</b>	
<b>REIMBURSABLE PROGRAM</b>									
OFFICERS.....	880	877		796	797		771	775	
ENLISTED.....	1,357	1,352		1,190	1,191		1,175	1,174	
<b>TOTAL REIMBURSABLE PROGRAM.....</b>	<b>2,237</b>	<b>2,229</b>		<b>1,986</b>	<b>1,988</b>		<b>1,946</b>	<b>1,949</b>	
<b>TOTAL PROGRAM</b>									
OFFICERS.....	81,023	79,305		79,837	79,200		78,571	77,800	
ENLISTED.....	406,734	408,337		403,913	404,800		397,951	398,200	
ACADEMY CADETS.....	3,902	4,065		3,810	4,000		3,774	4,000	
<b>TOTAL.....</b>	<b>491,659</b>	<b>491,707</b>		<b>487,560</b>	<b>488,000</b>		<b>480,296</b>	<b>480,000</b>	

SECTION 3  
END STRENGTHS BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
<b>COMMISSIONED OFFICERS</b>						
O-10 GENERAL.....	11	0	11	0	11	0
O-9 LIEUTENANT GENERAL.....	43	0	34	0	34	0
O-8 MAJOR GENERAL.....	101	2	107	2	106	2
O-7 BRIGADIER GENERAL.....	146	4	153	4	151	4
O-6 COLONEL.....	3,599	37	3,600	25	3,761	25
O-5 LIEUTENANT COLONEL.....	9,065	68	9,105	60	9,000	59
O-4 MAJOR.....	13,196	167	13,799	152	14,000	147
O-3 CAPTAIN.....	23,390	403	23,180	376	22,890	371
O-2 FIRST LIEUTENANT.....	8,783	172	9,627	160	7,968	149
O-1 SECOND LIEUTENANT.....	9,221	0	7,663	0	8,029	0
TOTAL COMMISSIONED OFFICERS.....	67,555	853	67,279	779	65,950	757
<b>WARRANT OFFICERS</b>						
W-5 CHIEF WARRANT OFFICER.....	349	2	357	1	403	1
W-4 CHIEF WARRANT OFFICER.....	1,311	5	1,377	4	1,588	4
W-3 CHIEF WARRANT OFFICER.....	3,072	10	3,176	6	2,927	6
W-2 CHIEF WARRANT OFFICER.....	5,244	6	4,983	6	4,787	6
W-1 CHIEF WARRANT OFFICER.....	1,774	1	2,028	1	2,145	1
TOTAL WARRANT OFFICERS.....	11,750	24	11,921	18	11,850	18
TOTAL OFFICER PERSONNEL.....	79,305	877	79,200	797	77,800	775
<b>ENLISTED PERSONNEL</b>						
E-9 SERGEANT MAJOR.....	3,180	35	3,206	28	3,131	27
E-8 1ST SERGEANT/MASTER SERGEANT.....	10,810	54	10,862	51	10,755	51
E-7 PLATOON SERGEANT/SGT 1ST CLASS.....	38,571	226	37,594	183	36,546	183
E-6 STAFF SERGEANT.....	59,085	303	55,425	267	54,957	263
E-5 SERGEANT.....	77,000	274	74,236	236	72,020	231
E-4 CORPORAL/SPECIALIST 4.....	100,390	249	110,554	232	111,190	227
E-3 PRIVATE, FIRST CLASS.....	56,416	189	56,670	176	54,526	174
E-2 PRIVATE.....	34,888	19	29,591	15	30,195	15
E-1 PRIVATE.....	27,997	3	26,662	3	24,880	3
TOTAL ENLISTED PERSONNEL.....	408,337	1,352	404,800	1,191	398,200	1,174
TOTAL OFFICER AND ENLISTED PERSONNEL.....	487,642	2,229	484,000	1,988	476,000	1,949
CADETS.....	4,065	0	4,000	0	4,000	0
TOTAL END STRENGTH.....	491,707	2,229	488,000	1,988	480,000	1,949

SECTION 3  
AVERAGE STRENGTH BY GRADE (TOTAL PROGRAM)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED	30 SEPT	REIMB INCLUDED
<b>COMMISSIONED OFFICERS</b>						
O-10 GENERAL.....	13	0	11	0	11	0
O-9 LIEUTENANT GENERAL.....	40	0	35	0	34	0
O-8 MAJOR GENERAL.....	101	2	108	2	107	2
O-7 BRIGADIER GENERAL.....	150	4	154	3	152	3
O-6 COLONEL.....	3,600	37	3,613	25	3,780	25
O-5 LIEUTENANT COLONEL.....	9,173	68	9,150	60	9,068	57
O-4 MAJOR.....	14,787	168	14,292	151	14,257	147
O-3 CAPTAIN.....	23,453	401	22,847	376	22,513	365
O-2 FIRST LIEUTENANT.....	8,609	177	10,005	161	9,670	155
O-1 SECOND LIEUTENANT.....	9,256	0	7,834	0	7,067	0
TOTAL COMMISSIONED OFFICERS.....	69,182	857	68,049	778	66,659	754
<b>WARRANT OFFICERS</b>						
W-5 CHIEF WARRANT OFFICER.....	357	2	355	1	380	1
W-4 CHIEF WARRANT OFFICER.....	1,304	5	1,345	4	1,590	4
W-3 CHIEF WARRANT OFFICER.....	3,025	9	3,118	6	2,958	6
W-2 CHIEF WARRANT OFFICER.....	5,320	6	5,061	6	4,829	5
W-1 CHIEF WARRANT OFFICER.....	1,835	1	1,909	1	2,155	1
TOTAL WARRANT OFFICERS.....	11,841	23	11,788	18	11,912	17
TOTAL OFFICER PERSONNEL.....	81,023	880	79,837	796	78,571	771
<b>ENLISTED PERSONNEL</b>						
E-9 SERGEANT MAJOR.....	3,130	35	3,200	28	3,166	27
E-8 1ST SERGEANT/MASTER SERGEANT.....	10,930	54	10,804	46	10,813	44
E-7 PLATOON SERGEANT/SGT 1ST CLASS.....	40,036	227	38,243	198	37,006	193
E-6 STAFF SERGEANT.....	62,241	304	58,743	276	55,388	275
E-5 SERGEANT.....	77,918	275	75,530	240	73,055	237
E-4 CORPORAL/SPECIALIST 4.....	102,161	251	107,882	227	112,678	226
E-3 PRIVATE, FIRST CLASS.....	52,972	189	55,277	158	53,022	156
E-2 PRIVATE.....	34,507	19	32,337	14	31,267	14
E-1 PRIVATE.....	22,839	3	21,897	3	21,556	3
TOTAL ENLISTED PERSONNEL.....	406,734	1,357	403,913	1,190	397,951	1,175
TOTAL OFFICER AND ENLISTED PERSONNEL.....	487,757	2,237	483,750	1,986	476,522	1,946
CADETS.....	3,902	0	3,810	0	3,774	0
TOTAL AVERAGE STRENGTH.....	491,659	2,237	487,560	1,986	480,296	1,946

SECTION 3  
ACTIVE DUTY STRENGTHS BY MONTHS  
(IN THOUSANDS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999		TOTAL	
	OFFICER	ENLISTED	OFFICER	ENLISTED	OFFICER	ENLISTED		
1)								
SEPTEMBER.....	80.6	406.5	4.0	491.1	79.3	408.4	4.0	488.0
OCTOBER.....	80.2	406.6	4.0	490.8	78.9	408.0	4.0	486.9
NOVEMBER.....	79.9	407.3	4.0	491.2	78.6	405.7	4.0	486.2
DECEMBER.....	79.6	401.7	3.9	485.2	78.4	401.7	4.0	480.9
JANUARY.....	79.5	404.9	3.9	488.3	78.4	402.8	4.0	480.7
FEBRUARY.....	78.6	403.2	3.9	485.7	78.4	400.9	3.9	478.9
MARCH.....	78.3	400.6	3.9	482.8	78.3	398.4	3.9	477.0
APRIL.....	78.0	398.5	3.9	480.4	78.3	397.8	3.9	475.6
MAY.....	79.6	398.7	3.0	481.3	79.6	397.8	2.9	474.5
JUNE.....	80.0	400.2	4.1	484.3	80.1	400.0	2.9	477.2
JULY.....	79.7	403.1	4.1	486.9	79.4	401.6	4.0	479.0
AUGUST.....	79.6	405.6	4.1	489.3	79.4	402.1	4.0	479.9
SEPTEMBER.....	79.3	408.4	4.0	491.7	79.2	404.8	4.0	480.0
AVERAGE STRENGTH....	81.0	406.7	4.0	491.7	79.8	403.9	3.9	480.3
(TTAD MANYRS INCLUDE	243	70		313	168	71		235
TTAD \$M.....				\$ 21.7				\$ 15.9
(CONTINGENCY MANYRS								
INCLUDED).....	1,364	3,507		4,871	755	1,906		0
CONTINGENCY \$M.....				\$ 306.8				\$ 0.0

1) ACTUAL DATA THROUGH OCT 1998.

SECTION 3  
GAINS & LOSSES BY SOURCE AND TYPE

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
OFFICERS			
BEGINNING STRENGTH.....	80,628	79,305	79,200
GAINS (BY SOURCE)			
SERVICE ACADEMIES.....	916	860	860
ROTC.....	3,241	3,123	3,044
OFFICER CANDIDATE SCHOOL.....	352	350	350
VOLUNTARY ACTIVE DUTY.....	14	0	0
DIRECT APPOINTMENTS.....	1,230	774	798
WARRANT OFFICER PROGRAMS.....	888	975	1,000
OTHER.....	165	239	158
TOTAL GAINS.....	6,806	6,321	6,210
LOSSES (BY TYPE)			
EXPIRATION OF CONTRACT.....	698	557	594
RETIREMENT.....	2,912	1,790	2,739
DISABILITY.....	(136)	(108)	(118)
NON-DISABILITY.....	(2,012)	(1,622)	(2,076)
15 YEAR RETIREMENT.....	(764)	(60)	(545)
VOLUNTARY SEPARATION-VSI.....	257	40	39
VOLUNTARY SEPARATION-SSB.....	299	40	46
INVOLUNTARY SEP OF RESERVE.....	0	0	0
INVOLUNTARY SEP OF REGULAR.....	130	104	61
REDUCTION-IN-FORCE.....	0	0	0
ATTRITION.....	3,521	3,720	3,812
OTHER.....	312	175	319
TOTAL LOSSES.....	8,129	6,426	7,610
END STRENGTH.....	79,305	79,200	77,800

SECTION 3  
GAINS & LOSSES BY SOURCE AND TYPE

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
ENLISTED			
BEGINNING STRENGTH.....	406,502	408,337	404,800
GAINS (BY SOURCE)			
NON-PRIOR SERVICE ENLISTMENTS.....			
MALES.....	74,784	67,859	68,400
FEMALES.....	(59,655)	(53,626)	(53,347)
PRIOR SERVICE ENLISTMENTS.....	(15,129)	(14,233)	(15,053)
REENLISTMENT (IMM).....	8,078	5,000	5,000
RESERVE COMPONENTS.....	78,478	63,187	64,784
RETURNED TO MILITARY CONTROL.....	56	195	200
OTHER.....	1,853	2,087	2,028
GAIN ADJUSTMENT.....	(94)	(84)	0
TOTAL GAINS.....	163,155	138,244	140,418
LOSSES (BY TYPE)			
DRAFTES AND REGULAR ARMY			
ESTIMATED TERMINATION OF SERVICE.....	29,872	24,662	28,637
NORMAL EARLY RELEASE.....	0	0	0
PROGRAMMED EARLY RELEASE.....	0	0	0
SEPARATIONS - VSI.....	0	96	96
SEPARATIONS - SSB.....	0	1,504	1,504
TO COMMISSIONED OFFICER AND WARRANT OFFICER.....	1,142	1,239	1,231
REENLISTMENT.....	78,478	63,187	64,784
RETIREMENT.....	8,798	8,609	8,067
15 YEAR RETIREMENT.....	1,152	1,500	800
DROPPED FROM ROLLS.....	3,007	3,034	2,857
ATTRITION ADVERSE CAUSES.....	17,144	17,503	17,978
OTHER ATTRITION.....	21,606	20,292	20,924
RESERVE COMPONENTS.....	121	155	140
TOTAL LOSSES.....	161,320	141,781	147,018
END STRENGTH.....	408,337	404,800	398,200
CADETS			
GAINS			
ENTERING CADETS.....	1,191	1,220	1,220
LOSSES			
ATTRITION.....	260	255	255
GRADUATES.....	931	965	965

SECTION 3  
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999		TOTAL		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	OFFICERS		ENLISTED	
1. BASIC PAY.....	3,310,632	7,235,255	10,545,887	3,360,587	7,308,478	10,669,065	3,439,898	7,437,252	10,877,150
2. RETIRED PAY ACCRUAL.....	1,079,266	2,358,693	3,437,959	1,024,979	2,229,086	3,254,065	1,038,849	2,246,050	3,284,899
3. BASIC ALLOWANCES FOR QUARTERS.....	436,648	966,396	1,403,044	110,818	241,434	352,252			
A. WITH DEPENDENTS.....	326,698	854,723	1,181,421	82,844	213,066	295,910			
B. WITHOUT DEPENDENTS.....	109,417	99,778	209,195	27,849	25,365	53,214			
C. SUBSTANDARD FAMILY HOUSING.....	19	459	478	6	121	127			
D. PARTIAL.....	514	11,436	11,950	119	2,882	3,001			
4. VARIABLE HOUSING ALLOWANCE.....	104,764	177,009	281,773	26,363	42,299	68,662			
4.1 BASIC ALLOWANCES FOR HOUSING.....									
A. WITH DEPENDENTS.....				411,571	860,883	1,272,454	561,424	1,171,828	1,733,252
B. WITHOUT DEPENDENTS.....				307,837	757,868	1,065,705	422,723	1,032,376	1,455,099
C. SUBSTANDARD FAMILY HOUSING.....				103,346	94,007	197,353	138,219	127,517	265,736
D. PARTIAL.....				23	361	384	21	498	519
				365	8,647	9,012	461	11,437	11,898
5. SUBSISTENCE.....	148,795	1,191,441	1,340,236	148,799	1,124,204	1,273,003	147,905	1,141,416	1,289,321
A. BASIC ALLOWANCE FOR SUBSISTENCE.....	148,795	748,302	897,097	148,799	761,696	910,495	147,905	774,529	922,434
1. AUTHORIZED TO MESS SEPARATELY.....	148,795	600,650	749,445	148,799	595,415	744,214	147,905	593,981	741,886
2. LEAVE RATIONS.....		80,839	80,839		85,521	85,521		84,201	84,201
3. RATIONS-IN-KIND NOT AVAILABLE.....		66,193	66,193		69,177	69,177		68,807	68,807
4. AUGMENTATION FOR SEPARATE MEALS.....		620	620		619	619		626	626
5. PARTIAL BAS.....					10,964	10,964		26,914	26,914
B. SUBSISTENCE IN KIND.....		443,139	443,139		362,508	362,508		366,887	366,887
1. SUBSISTENCE IN MESSES.....		223,128	223,128		212,926	212,926		197,471	197,471
2. OPERATIONAL RATIONS.....		205,193	205,193		136,024	136,024		155,712	155,712
3. AUGMENTATION RATIONS/OTHER.....		14,818	14,818		13,558	13,558		13,704	13,704



SECTION 3  
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
6. INCENTIVE PAY, HAZARDOUS DUTY, AND AVIATION CAREER.....									
A. FLYING DUTY PAY.....	64,218	52,966	117,184	63,681	66,013	129,694	64,469	68,068	132,537
1. AVIATION CAREER, OFFICERS.....	56,133	5,777	61,910	55,646	8,030	63,676	56,143	7,986	64,129
2. CREW MEMBERS, ENLISTED.....	55,931	4,935	55,931	55,416	6,439	55,416	55,908	6,395	55,908
3. NONCREW MEMBERS.....	95	842	937	123	1,591	1,714	128	1,591	1,719
4. CREW NON-RATED.....	107		107	107		107	107		107
B. PARACHUTE JUMP PAY.....	7,550	43,176	50,726	7,330	53,359	60,689	7,596	55,294	62,890
C. DEMOLITION PAY.....	194	1,786	1,980	255	1,633	1,888	265	1,687	1,952
D. OTHER PAY.....	341	2,227	2,568	450	2,991	3,441	465	3,101	3,566
7. SPECIAL PAYS.....	186,396	195,561	381,957	190,856	176,695	367,551	190,936	165,166	356,102
A. PHYSICIAN MEDICAL.....	159,281		159,281	154,793		154,793	155,243		155,243
B. DENTIST MEDICAL.....	14,252		14,252	25,987		25,987	27,332		27,332
C. NURSE MEDICAL.....	2,207		2,207	3,161		3,161	3,161		3,161
D. BOARD CERTIFIED PAY FOR NONPHYSICIAN									
HEALTH CARE PROVIDERS.....	1,054		1,054	1,583		1,583	1,675		1,675
E. OPTOMETRIST MEDICAL.....	150		150	152		152	152		152
F. VETERINARIAN MEDICAL.....	487		487	506		506	497		497
G. SEA AND FOREIGN DUTY.....	354	9,282	9,636	356	8,457	8,813	365	8,174	8,539
1. SEA DUTY.....	354	482	836	356	609	965	365	653	1,018
2. DUTY AT CERTAIN PLACES.....		7,797	7,797		6,845	6,845		6,518	6,518
3. OVERSEAS EXTENSION PAY.....		1,003	1,003		1,003	1,003		1,003	1,003
H. FOREIGN LANGUAGE PROFICIENCY PAY..	1,525	3,900	5,425	1,525	4,014	5,539	1,525	4,014	5,539
I. DIVING DUTY PAY.....	118	602	720	118	690	808	118	690	808
J. REENLISTMENT BONUS.....		50,923	50,923		50,650	50,650		53,529	53,529
K. SPECIAL DUTY ASSIGN PAY.....		51,158	51,158		51,623	51,623		50,033	50,033
L. ENLISTMENT BONUS.....		48,003	48,003		48,965	48,965		45,371	45,371
M. HOSTILE FIRE PAY.....	6,968	31,693	38,661	2,675	12,296	14,971	868	3,355	4,223

SECTION 3  
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999		TOTAL	TOTAL
	OFFICERS	ENLISTED	OFFICERS	ENLISTED	OFFICERS	ENLISTED		
8. ALLOWANCES.....	138,134	583,170	721,304	508,673	102,643	513,801	616,449	616,444
A. UNIFORM/CLOTHING ALLOWANCES.....	2,875	193,153	202,028	212,193	2,567	213,254	214,773	215,821
1. INITIAL ISSUE.....	2,138	76,897	79,035	78,107	1,946	80,507	80,055	82,453
A. MILITARY.....	1,474	74,756	76,230	75,921	1,242	78,273	77,185	79,515
B. CIVILIAN.....	664	2,141	2,805	2,186	704	2,234	2,870	2,938
2. ADDITIONAL ALLOWANCE.....	737		737	632	621		632	621
3. BASIC MAINTENANCE.....		26,810	26,810	34,286		35,428	34,286	35,428
4. STANDARD MAINTENANCE.....		89,307	89,307	92,924		90,330	92,924	90,330
5. SUPPLEMENTARY.....		1,459	1,459	1,884		1,912	1,884	1,912
6. OTHER.....		4,680	4,680	4,992		5,077	4,992	5,077
B. STATION ALLOWANCE OVERSEAS.....	128,965	353,948	482,913	268,300	95,245	271,682	367,178	366,927
1. COST OF LIVING.....	85,247	290,146	375,393	211,242	57,735	216,892	269,178	274,627
2. HOUSING.....	32,558	40,286	72,844	32,004	26,181	29,140	61,993	55,321
3. TEMPORARY LODGING.....	11,160	23,516	34,676	25,054	11,329	25,650	36,007	36,979
C. CONUS COLA.....	517	1,088	1,605	968	517	968	1,485	1,485
D. FAMILY SEPARATION ALLOWANCES.....	5,722	28,981	34,703	27,212	4,266	27,897	32,965	32,163
1. ON PCS - NO GOVERNMENT QUARTERS...	1,434	3,757	5,191	3,900	1,485	4,037	5,343	5,522
2. ON PCS - DEPENDENTS NOT AUTHORIZED	1,710	15,559	17,269	19,756	2,272	21,516	21,853	23,788
3. ON TDY.....	2,578	9,665	12,243	3,556	509	2,344	5,769	2,853
E. GENERAL AND FLAG OFFICERS.....								
PERSONAL MONEY ALLOWANCE.....	55		55	48	48		48	48

SECTION 3  
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
9. SEPARATION PAY.....	175,005	291,718	466,723	75,703	336,760	412,463	142,731	325,993	468,724
A. TERMINAL LEAVE PAY.....	25,756	65,669	91,425	22,145	60,865	83,010	27,370	63,819	91,189
B. LUMP-SUM READJUSTMENT PAY.....									
C. DONATIONS.....		4	4		4	4		4	4
D. SEVERANCE PAY, DISABILITY.....	2,923	59,531	62,454	2,703	63,172	65,875	3,069	65,729	68,798
E. SEVERANCE PAY, NON-PROMOTION.....	9,246		9,246	9,263		9,263	34,260		34,260
F. SEVERANCE PAY, INVOL HALF (5%).....	107	18,332	18,439	94	31,921	32,015	81	33,238	33,319
G. SEVERANCE PAY, INVOL FULL (10%).....	1,528	83,293	84,821	1,571	58,521	60,092	1,619	61,012	62,631
H. SEVERANCE PAY, VSI.....	67,725	27,375	95,100	33,296	16,962	50,258	37,259	17,941	55,200
I. SEVERANCE PAY, SSB.....	20,411		20,411	2,809	54,994	57,803	3,328	56,616	59,944
J. SEVERANCE PAY, 15 YR RETIREMENT ..	47,309	37,514	84,823	3,822	50,321	54,143	35,745	27,634	63,379
10. SOCIAL SECURITY TAX PAYMENTS.....	290,411	630,743	921,154	293,163	631,623	924,786	298,713	635,065	933,778
11. PERMANENT CHANGE OF STATION TRAVEL....	261,220	803,025	1,064,245	259,982	812,863	1,072,845	267,007	831,540	1,098,547
12. OTHER MILITARY PERSONNEL COSTS.....	434	226,507	226,941	432	206,724	207,156	57,435	307,778	365,213
A. ADOPTION EXPENSES.....		380	380		380	380		380	380
B. APPREHENSION OF DESERTERS.....		797	797		792	792		780	780
C. DEATH GRATUITIES.....		1,782	2,010	216	1,770	1,986	216	1,746	1,962
D. UNEMPLOYMENT COMPENSATION.....	228	124,463	124,463		106,626	106,626		116,010	116,010
E. SURVIVOR BENEFITS.....		7,920	7,920		8,272	8,272		7,740	7,740
F. EDUCATION BENEFITS.....		90,897	90,897		88,570	88,570		76,807	76,807
G. INTEREST ON SOLDIERS' DEPOSIT.....	206	268	474	216	314	530	219	315	534
H. OBLIGATIONS FOR ADVANCE OF PAY.....							57,000	104,000	161,000

SECTION 3  
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	TOTAL
13. CADETS.....	36,903		36,903	38,679		38,679	39,084
SUBTOTAL, ALL MILITARY PERSONNEL							
APPROPRIATION REQUEST.....	6,232,826	14,712,484	20,945,310	6,113,389	14,545,735	20,659,124	21,195,051
14. LESS REIMBURSABLES.....	73,121	134,179	207,300	76,392	130,675	207,067	193,000
A. RETIRED PAY ACCRUAL.....	14,991	14,130	29,121	15,560	13,109	28,669	29,438
B. OTHER.....	58,130	120,049	178,179	60,832	117,566	178,398	163,562
TOTAL, ALL MILITARY PERSONNEL							
APPROPRIATION REQUEST.....	6,159,705	14,578,305	20,738,010	6,036,997	14,415,060	20,452,057	21,002,051

SECTION 3  
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS  
(AMOUNTS IN THOUSANDS OF DOLLARS)  
FY 1998

	FY 1998/98 PRESIDENTS BUDGET	IMPACT OF CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PRICE/PROGRAM CHANGES	FY 1998 COLUMN FY 1999 REQUEST
PAY AND ALLOWANCES OF OFFICERS							
BASIC PAY.....	3,327,310	1,641	3,328,951	(19,547)	3,309,404	0	3,309,404
RETIRED PAY ACCRUAL.....	1,014,880	500	1,015,380	(5,961)	1,009,419	0	1,009,419
INCENTIVE PAY.....	57,898	1,536	59,434	4,247	63,681	0	63,681
SPECIAL PAY.....	179,210	0	179,210	11,694	190,904	0	190,904
BASIC ALLOWANCE FOR QUARTERS.....	441,321	218	441,539	(331,095)	110,444	0	110,444
VARIABLE HOUSING ALLOWANCES.....	104,224	51	104,275	(78,013)	26,262	0	26,262
BASIC ALLOWANCE FOR HOUSING.....	0	0	0	410,144	410,144	0	410,144
BASIC ALLOWANCE FOR SUBSISTENCE.....	148,708	0	148,708	(810)	147,898	0	147,898
STATION ALLOWANCES OVERSEAS.....	109,380	(10,500)	98,880	0	98,880	0	98,880
CONUS COLA.....	845	0	845	(328)	517	0	517
UNIFORM ALLOWANCES.....	2,543	0	2,543	37	2,580	0	2,580
FAMILY SEPARATION ALLOWANCES.....	3,833	3,712	7,545	(1,792)	5,753	0	5,753
SEPARATION PAYMENTS.....	62,775	0	62,775	12,928	75,703	0	75,703
SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION.....	287,677	142	287,819	(1,504)	286,315	0	286,315
REIMBURSABLES.....	76,392	0	76,392	0	76,392	0	76,392
TOTAL OBLIGATIONS.....	5,816,996	(2,700)	5,814,296	0	5,814,296	0	5,814,296
LESS REIMBURSABLES.....	76,392	0	76,392	0	76,392	0	76,392
TOTAL OFFICER DIRECT OBLIGATIONS.....	5,740,604	(2,700)	5,737,904	0	5,737,904	0	5,737,904

SECTION 3  
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS  
(AMOUNTS IN THOUSANDS OF DOLLARS)  
FY 1998

	FY 1998/98 PRESIDENTS BUDGET	IMPACT OF CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PRICE/PROGRAM CHANGES FY 1999 REQUEST	OTHER PROGRAM FY 1998 COLUMN
PAY AND ALLOWANCES OF ENLISTED							
BASIC PAY.....	7,389,548	(97,287)	7,292,261	(26,906)	7,265,355	0	7,265,355
RETIRED PAY ACCRUAL.....	2,253,856	(29,673)	2,224,183	(8,206)	2,215,977	0	2,215,977
INCENTIVE PAY.....	51,292	10,532	61,824	4,189	66,013	0	66,013
SPECIAL PAY.....	14,010	5,842	19,852	5,605	25,457	0	25,457
SPECIAL DUTY ASSIGNMENT PAY.....	51,927	0	51,927	(304)	51,623	0	51,623
REENLISTMENT BONUS.....	40,076	0	40,076	10,574	50,650	0	50,650
ENLISTMENT BONUS.....	18,065	30,757	48,822	143	48,965	0	48,965
BASIC ALLOWANCE FOR QUARTERS.....	1,052,457	(13,856)	1,038,601	(797,457)	241,144	0	241,144
VARIABLE HOUSING ALLOWANCE.....	203,091	(2,674)	200,417	(158,215)	42,202	0	42,202
BASIC ALLOWANCE FOR HOUSING.....	0	0	0	859,724	859,724	0	859,724
STATION ALLOWANCE OVERSEAS.....	303,799	(35,500)	268,299	0	268,299	0	268,299
CONUS COLA.....	968	0	968	0	968	0	968
CLOTHING ALLOWANCES.....	195,939	0	195,939	15,255	211,194	0	211,194
FAMILY SEPARATION ALLOWANCES.....	28,939	8,300	37,239	(10,027)	27,212	0	27,212
SEPARATION PAYMENTS.....	236,325	0	236,325	100,435	336,760	0	336,760
SOCIAL SECURITY TAX - EMPLOYER CONTRIBUTION.....	629,396	(8,287)	621,109	5,190	626,299	0	626,299
REIMBURSABLES.....	64,102	0	64,102	0	64,102	0	64,102
TOTAL OBLIGATIONS.....	12,533,790	(131,846)	12,401,944	0	12,401,944	0	12,401,944
LESS REIMBURSABLES.....	64,102	0	64,102	0	64,102	0	64,102
TOTAL ENLISTED DIRECT OBLIGATIONS.....	12,469,688	(131,846)	12,337,842	0	12,337,842	0	12,337,842
PAY & ALLOWANCES OF CADETS							
TOTAL OBLIGATIONS.....	38,679	0	38,679	0	38,679	0	38,679
TOTAL CADET DIRECT OBLIGATIONS.....	38,679	0	38,679	0	38,679	0	38,679

SECTION 3  
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS  
(AMOUNTS IN THOUSANDS OF DOLLARS)  
FY 1998

	FY 1998/98 PRESIDENTS BUDGET	IMPACT OF CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PRICE/PROGRAM CHANGES	FY 1998 COLUMN FY 1999 REQUEST
<b>SUBSISTENCE OF</b>							
ENLISTED PERSONNEL							
TOTAL OBLIGATIONS.....	1,094,504	29,700	1,124,204	0	1,124,204	0	1,124,204
REIMBURSABLES.....	58,423	0	58,423	0	58,423	0	58,423
TOTAL ENL. SUBSISTENCE DIRECT OBLIG....	1,036,081	29,700	1,065,781	0	1,065,781	0	1,065,781
<b>PERMANENT CHANGE OF STATION</b>							
ACCESSION TRAVEL.....	132,380	0	132,380	(18,455)	113,925	0	113,925
TRAINING TRAVEL.....	45,529	0	45,529	2,953	48,482	0	48,482
OPERATIONAL TRAVEL.....	131,393	0	131,393	9,707	141,100	0	141,100
ROTATIONAL TRAVEL.....	540,845	0	540,845	17,194	558,039	0	558,039
SEPARATION TRAVEL.....	167,976	0	167,976	(17,592)	150,384	0	150,384
ORGANIZED UNIT TRAVEL.....	8,139	0	8,139	8,407	16,546	0	16,546
NON-TEMPORARY STORAGE.....	25,236	0	25,236	(631)	24,605	0	24,605
TEMPORARY LODGING.....	13,347	0	13,347	(1,583)	11,764	0	11,764
REIMBURSABLES.....	8,000	0	8,000	0	8,000	0	8,000
TOTAL OBLIGATIONS.....	1,072,845	0	1,072,845	0	1,072,845	0	1,072,845
<b>LESS REIMBURSABLES.....</b>							
TOTAL PCS DIRECT OBLIGATIONS.....	8,000	0	8,000	0	8,000	0	8,000
	1,064,845	0	1,064,845	0	1,064,845	0	1,064,845

SECTION 3  
ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS  
(AMOUNTS IN THOUSANDS OF DOLLARS)  
FY 1998

	FY 1998/98 PRESIDENTS BUDGET	IMPACT OF CONGRESSIONAL ACTION	AVAILABLE APPROPRIATION	INTERNAL REALIGNMENT/ REPROGRAMMING	SUBTOTAL	PRICE/PROGRAM CHANGES	FY 1998 COLUMN FY 1999 REQUEST
<b>OTHER MILITARY PERSONNEL COSTS</b>							
<b>APPREHENSION OF MILITARY DESERTERS</b>							
<b>ABSENTEES AND ESCAPED MILITARY</b>							
PRISONERS.....	672	0	672	(30)	642	0	642
DEATH GRATUITIES.....	2,376	0	2,376	(390)	1,986	0	1,986
<b>UNEMPLOYMENT BENEFITS PAID TO</b>							
EX-SERVICE MEMBERS.....	112,114	16,403	128,517	(21,891)	106,626	0	106,626
SURVIVOR BENEFITS.....	6,920	0	6,920	1,352	8,272	0	8,272
ADOPTION COSTS.....	380	0	380	0	380	0	380
EDUCATIONAL BENEFITS.....	56,414	11,243	67,657	20,913	88,570	0	88,570
SOLDIER INTEREST ON DEPOSIT.....	484	0	484	46	530	0	530
OBLIGATIONS FOR ADVANCE OF PAY.....	0	0	0	0	0	0	0
REIMBURSABLES.....	150	0	150	0	150	0	150
<b>TOTAL OBLIGATIONS.....</b>	<b>179,510</b>	<b>27,646</b>	<b>207,156</b>	<b>0</b>	<b>207,156</b>	<b>0</b>	<b>207,156</b>
REIMBURSABLES.....	150	0	150	0	150	0	150
<b>TOTAL OMPC DIRECT OBLIGATIONS.....</b>	<b>179,360</b>	<b>27,646</b>	<b>207,006</b>	<b>0</b>	<b>207,006</b>	<b>0</b>	<b>207,006</b>
<b>TOTAL DIRECT OBLIGATIONS.....</b>	<b>20,529,257</b>	<b>(77,200)</b>	<b>20,452,057</b>	<b>0</b>	<b>20,452,057</b>	<b>0</b>	<b>20,452,057</b>



Section 3  
Schedule of Increases and Decreases  
(Amounts in Thousands of Dollars)

	Amount
FY 1998 Direct Program	\$ 20,452,057
Increases:	
a. Pay raise	\$522,013
Reflects annualized costs of the 2.8 percent FY 98 pay raise and the FY 99 3.1 percent pay raise effective on 1 January 1999.	
b. Inflation	20,228
Includes clothing, variable housing allowance, temporary lodging allowance, SIK, and PCS inflation costs.	
c. BAQ/VHA/BAH program changes	14,964
Primarily due to housing inventory changes.	
d. Separation Pays	44,229
Reflects increased separation pays due to continued downsizing.	
e. DMC/Reimbursements	21,390
Reflects lower estimated reimbursable collections in FY99.	
f. Increased Obligational Authority for Advance Pay to Soldiers	161,000
One-time cost for accounting policy correction.	
Total Increases	\$ 784,364
Decreases:	
a. Force manning program costs	-176,978
Reflects continued downsizing from the FY98 programmed end strength of 488 k to 480 k in FY99.	
b. Retired pay accrual	- 32,006
The Normal Cost Percentage rate decrease from 30.5 percent in FY98 to 30.2 percent in FY99.	
c. Overseas manning	- 4,691
Reduced costs associated primarily with a more favorable currency exchange rate in Germany.	
d. Education Benefits	- 11,763
Represents lower average per capita rates	
e. FICA- Wage Credits	- 5,100
Reduced requirement for payments to the Wage Credit Trust Fund	
f. Special/Incentive Pays	- 2,215
Represents a net reduction to these pays	
g. Miscellaneous	- 1,616
Total Decreases:	\$ - 234,370
FY 1999 Direct Program	\$ 21,002,051

Section 4  
Schedule of Increases and Decreases  
(Amounts in Thousands of Dollars)

Pay and Allowances of Officers		Amount
FY 1998 Direct Program		\$ 5,737,904
Increases:		
a. Pay Raise		155,373
Reflects annualized costs of the 2.8 percent 1 Jan 98 and the 3.1 percent 1 Jan 99 pay raises.		
b. Separation Pay		64,008
Reflects increased requirement for separation pay associated with strength reduction and transfers into the VSI trust fund.		
c. Incentive and Special Pay Programs		5,053
Rate increases for flying duty and medical pays.		
d. BAQ/VHA/BAH Programs		3,384
Reflects an increased requirement for housing payments due to a decrease in family housing units.		
e. Inflation		1,718
Reflects inflation costs for VHA and TLA.		
Total Increases:		\$ 229,536
Decreases:		
a. Force Manning		- 43,678
Reflects the decrease associated with the officer strength reduction.		
b. Retired Pay Accrual		- 10,081
NCP decreases from 30.5 percent to 30.2 percent.		
c. Overseas Station Allowances (OSA)		- 4,691
Reflects rate changes associated with foreign currency fluctuation. Also includes strength decreases in regions where OSA is authorized.		
d. Miscellaneous		- 741
Total Decreases:		\$ - 59,191
FY 1999 Direct Program		\$ 5,908,249

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 3,439,898
ESTIMATE FY 1998	\$ 3,360,587
ACTUAL FY 1997	\$ 3,310,632

**Project: Basic Pay - Officers**

**Part I - Purpose and Scope**

The funds requested provide for the basic compensation and length of service pay increments of officers on active duty under provisions of 37 U.S.C. 201, 203, 204, 205, and 1009. Also included is the compensation of officers of the reserve components who have entered active duty as members of the active component of the Army.

**Part II - Justification of Funds Required**

The basic compensation is determined by multiplying the projected average number of personnel by grade by the estimated average annual compensation, including length of service increments, for each grade.

The net change in the basic pay requirement is +\$79.3 million from FY98 to FY99. This change is based on--

- (1) Annualization of the 1 Jan 98, 2.8 percent pay raise: +\$23.5 million.
- (2) The 1 Jan 99, 3.1 percent pay raise: +\$78.0 million.
- (3) Force manning changes: -\$22.2 million.

Detailed cost computations are provided by the following table:

OFFICER BASIC PAY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL.....	13	\$ 108,202	\$ 1,407	11	\$ 110,477	\$ 1,215	11	\$ 113,820	\$ 1,252
LIEUTENANT GENERAL.....	40	106,584	4,263	35	109,622	3,837	34	112,941	3,840
MAJOR GENERAL.....	101	96,571	9,754	108	99,322	10,727	107	102,328	10,949
BRIGADIER GENERAL.....	150	85,227	12,784	154	87,657	13,499	152	90,311	13,727
COLONEL.....	3,600	72,604	261,374	3,613	74,482	269,103	3,780	76,876	290,591
LIEUTENANT COLONEL.....	9,173	58,219	534,043	9,150	59,729	546,520	9,068	61,647	559,015
MAJOR.....	14,787	47,381	700,623	14,292	48,538	693,705	14,257	50,027	713,235
CAPTAIN.....	23,453	39,245	920,413	22,847	40,396	922,927	22,513	41,835	941,831
1ST LIEUTENANT.....	8,609	30,643	263,806	10,005	31,426	314,417	9,670	32,422	313,521
2ND LIEUTENANT.....	9,256	22,833	211,342	7,834	23,570	184,647	7,067	24,483	173,021
SUBTOTAL.....	69,182		\$ 2,919,809	68,049		\$ 2,960,597	66,659		\$ 3,020,982
WARRENT OFFICER (W-5).....	357	\$ 52,266	\$ 18,659	355	\$ 53,626	\$ 19,037	380	\$ 55,312	\$ 21,019
WARRENT OFFICER (W-4).....	1,304	44,515	58,048	1,345	45,651	61,401	1,590	47,096	74,883
WARRENT OFFICER (W-3).....	3,025	36,154	109,366	3,118	36,866	114,948	2,958	37,816	111,860
WARRENT OFFICER (W-2).....	5,320	29,596	157,451	5,061	30,398	153,844	4,829	31,412	151,689
WARRENT OFFICER (W-1).....	1,835	25,776	47,299	1,909	26,590	50,760	2,155	27,594	59,465
SUBTOTAL.....	11,841		\$ 390,823	11,788		\$ 399,990	11,912		\$ 418,916
TOTAL OFFICER BASIC PAY...	81,023		\$ 3,310,632	79,837		\$ 3,360,587	78,571		\$ 3,439,898

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 1,038,849  
\$ 1,024,979  
\$ 1,079,266

### **Project: Retired Pay Accrual - Officers**

#### **Part I - Purpose and Scope**

The funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with 10 USC 1466.

#### **Part II - Justification of Funds Requested**

The budget estimates are derived as a product of:

- (a) The DOD Actuary approved full-time normal cost percentage (NCP) of basic pay, i.e., 32.6% for FY97, 30.5% for FY98, and 30.2% for FY99.
- (b) The total amount of the basic pay expected to be paid during the fiscal year to members of the Active Army.

The net change in the retired pay accrual estimate is +\$13.9 million between FY98 and FY99. This change is based on--

- (1) Annualization of the 1 Jan 98, 2.8 percent pay raise: +\$7.1 million.
- (2) The 1 Jan 99, 3.1 percent pay raise: +\$23.6 million.
- (3) Decrease in NCP from 30.5% to 30.2%: -\$10.1 million.
- (4) Force manning changes: -\$6.7 million.

Detailed cost computations are provided by the following table:

OFFICER RETIRED PAY ACCRUAL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE STRENGTH	RATE	AMOUNT	AVERAGE STRENGTH	RATE	AMOUNT	AVERAGE STRENGTH	RATE	AMOUNT
OFFICER RETIRED PAY ACCRUAL.....	81,023	13,320.49	\$ 1,079,266	79,837	12,838.40	\$ 1,024,979	78,571	13,221.79	\$ 1,038,849

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 64,469  
\$ 63,681  
\$ 64,218

### **Project: Incentive Pay for Hazardous Duty - Officers**

#### **Part I - Purpose and Scope**

The funds requested will provide for pay to officers under provisions of 37 U.S.C. 301 for these types of duty:

Flight Aviation Service (Rated Officers) - includes rated aviators, who are entitled to continuous aviation career incentive pay, regardless of current duty assignment, as prescribed by the Aviation Career Incentive Act of 1974. In addition, aviators who are assigned to operational flying positions and flight surgeons, both of whom are required to fly at least four hours of aerial flight each month are eligible.

Flight Crew Member/Noncrewmember (Nonrated Officers) - assigned to a position that requires at least four hours of aerial flight each month. Noncrewmembers perform duties directly related to the in-flight mission of the aircraft, e.g., ground liaison officers, aviation maintenance technicians, or aeromedical physicians assistants. The duties performed by crew members are essential to the mission of the aircraft, e.g., aerial observers and airborne electrical equipment sensor operators.

Parachute - assigned to a permanent parachute position or airborne unit which requires parachute jumping as an essential part of military duty, or while undergoing airborne-type training, or performing short-term parachute duty. Continuous payment of hazardous duty pay for parachute duty requires at least one parachute jump every three months. Pay for the short-term parachute duty is prorated based on the duration of the period for which parachute jumping is required.

High Altitude Low Opening Jump Pay - assigned to a permanent military freefall position which requires parachute jumping from at least 2,500 feet with a planned delay between exit and opening as an essential part of military duties, or while undergoing military free-fall type training at the US Army Military Free-fall Course at the US Army John F. Kennedy Special Warfare School. Soldiers must be a graduate of military free-fall course or undergoing training for such designation. They must also be required by orders to engage in military free-fall jumps from an aircraft in flight and perform the specified minimum jumps to be entitled to pay. Proficiency requirements will remain the same as static line requirements.

Demolition of Explosives - assigned to a position which requires the member, as his primary duty to demolish, by the use of explosives objects, obstacles, or explosives; or recover and render harmless, by disarming or demolition, explosives which failed to function as intended or

which become a potential hazard. Demolition pay is limited to those serving in Specialty 91E (Explosive Ordnance Disposal Officer).

Experimental Stress - serving as a human test subject in thermal stress experiments at Natick Laboratories; Natick, MA. The tests conducted include development of equipment (mostly clothing) and physiological testing. Also low pressure, high altitude chamber training is conducted at the US Army Aeromedical Center; Fort Rucker, AL and the Armed Forces Institute of Pathology; Washington, DC.

Toxic Pesticides Exposure - assigned to the entomology, pest control, pest management, or preventive medicine functions for a period of 30 consecutive days or more, and required to perform in any calendar month a fumigation task utilizing (1) phosphine, sulfuryl fluoride, hydrogen cyanide, methyl bromide, or (2) a fumigant of comparable high acute toxicity and hazard potential.

Chemical Munitions - this is a peacetime hazardous incentive pay for members of the uniformed services whose primary duties require the routine physical handling of chemical munitions or chemical surety material. Routine physical handling must be incident to manufacturing, maintenance, storage, testing, laboratory analysis, transportation, surveillance, assembly, disassembly, demilitarization, or disposal of chemical munitions or chemical surety material. This incentive pay is not authorized for individuals who handle the individual components of binary munitions, dilute solutions of toxic chemicals, riot control agents, chemical defoliants, herbicides, smoke, flame and incendiaries, or industrial chemicals.

#### **Part II - Justification of Funds Requested**

The projected average number of payments is based on the total spaces where each type of pay is authorized to meet force structure requirements. The compensation for aviation service (rated officers) is obtained by multiplying the projected average number of personnel authorized for this type of pay by rates established in 37 USC 301a for years of aviation service or years of officer service to include a specified number of years in jobs which justify flying. The compensation for all other types of incentive pay is arrived at by multiplying the projected number of each type by the statutory rate. The FY 1998 National Defense Authorization Act (NDAA) authorized hazardous duty incentive pays to be increased from \$110 to \$150 per month for parachute duty, demolition duty, non-crew member flight pay, etc., and from \$165 to \$220 for high altitude low opening jump pay. The FY 1998 NDAA also included increases in rates for aviation career incentive pay.

Detailed cost computations are provided by the following table:



OFFICER INCENTIVE PAY FOR HAZARDOUS DUTY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INCENTIVE PAY									
FLYING DUTY COMMISSIONED OFFICERS CATEGORY									
125.....	692	\$ 1,500	\$ 1,038	734	\$ 1,500	\$ 1,101	671	\$ 1,500	\$ 1,007
156.....	335	1,872	627	347	1,872	650	317	1,872	593
188.....	335	2,256	756	357	2,256	805	326	2,256	735
206.....	739	2,472	1,827	783	2,472	1,936	715	2,472	1,767
250.....	25	3,000	75	29	3,000	87	26	3,000	78
310 / 385.....	179	4,620	827	182	4,620	841	51	4,620	236
340 / 495.....	196	5,940	1,164	203	5,940	1,206	53	5,940	315
370 / 585.....	219	7,020	1,537	231	7,020	1,622	61	7,020	428
400 / 650.....	2,301	7,800	17,948	2,208	7,800	17,222	1,569	7,800	12,238
840.....	0	0	0	0	0	0	845	9,510	8,036
SUBTOTAL.....	5,021		\$ 25,799	5,074		\$ 25,470	4,634		\$ 25,433
WARRANT OFFICERS CATEGORY									
125.....	476	1,500	714	579	1,500	869	589	1,500	884
156.....	326	1,872	610	391	1,872	732	398	1,872	745
188.....	365	2,256	823	594	2,256	1,340	605	2,256	1,365
206.....	984	2,472	2,432	925	2,472	2,287	941	2,472	2,326
400 / 650.....	3,276	7,800	25,553	3,169	7,800	24,718	3,225	7,800	25,155
840.....	0	0	0	0	0	0	0	9,510	0
SUBTOTAL.....	5,427		\$ 30,132	5,658		\$ 29,946	5,758		\$ 30,475
TOTAL FLYING DUTY CREW.....	10,448		\$ 55,931	10,732		\$ 55,416	10,392		\$ 55,908
FLYING DUTY NON-CREW MEMBERS.....	72	1,320	95	71	1,737	123	71	1,800	128
CREW-NONRATED.....	43	2,496	107	43	2,496	107	43	2,496	107
TOTAL FLYING DUTY PAY.....	10,563		\$ 56,133	10,846		\$ 55,646	10,506		\$ 56,143
OTHER HAZARDOUS DUTY									
PARACHUTE JUMPING.....	5,720	1,320	7,550	4,220	1,737	7,330	4,220	1,800	7,596
EXPERIMENTAL STRESS.....	35	1,320	46	35	1,737	61	35	1,800	63
DEMOLITION OF EXPLOSIVES.....	147	1,320	194	147	1,737	255	147	1,800	265
TOXIC PESTICIDES EXPOSURE.....	0	1,320	0	0	1,737	0	0	1,800	0
CHEMICAL MUNITIONS.....	24	1,320	32	24	1,737	42	24	1,800	43
HIGH ALTITUDE LOW OPENING JUMP PAY.....	133	1,980	263	133	2,606	347	133	2,700	359
SUB-TOTAL.....	6,059		8,085	4,559		8,035	4,559		8,326
TOTAL OFFICER INCENTIVE PAY FOR HAZARDOUS PAY.....	16,622		64,218	15,405		63,681	15,065		64,469

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

190,984  
190,904  
186,451

## **Project: Special Pay - Officers**

### **Part I - Purpose and Scope**

Funds requested in this account are authorized to provide monetary incentives for the procurement and retention of officers assigned as physicians, dentists, nurses, psychologists, non-physician health care providers, veterinarians, optometrists, divers, and linguists. Additionally, this account includes special pays authorized to general officers to partially offset extraordinary expenses incurred in the performance of their official duties. Finally, this account covers special pays authorized for officers, who are assigned sea duty and those who are on duty subject to hostile fire or imminent danger.

Special Pay for Physicians - these payments are authorized by 37 USC 302, as amended. They are intended to provide a monetary incentive for the procurement and retention of medical officers. A physician may qualify for the following pays:

- (1) Variable Special Pay - paid monthly as an automatic entitlement to all medical corps officers on active duty. The annual rate of pay is based upon the number of years of creditable service for special pay. The annual amounts range from \$1,200 to \$12,000.
- (2) Board Certified Pay - paid on a monthly basis to medical corps officers who are currently certified by an American medical or osteopathic examining board. The annual rate payable is determined by the number of years of creditable service for special pay. The annual amounts range from \$2,500 to \$6,000.
- (3) Additional Special Pay - paid as a lump sum bonus to medical corps officers, who are not undergoing internship or initial residency training and who execute an agreement to remain on active duty for one year. The annual payment for all recipients is \$15,000.
- (4) Incentive Special Pay (ISP)/Medical Incentive Pay - paid as a lump sum bonus to administratively eligible medical officers, who are fully qualified in Department of Army (DA) selected specialty categories and who execute an agreement to remain on active duty for a period of not less than 12 months. The Office of the Surgeon General develops an ISP program annually tailored to meet the critical needs of the following year. The FY88 and FY89 DOD Authorization Act lifted the budget ceiling for ISP (previously the amount spent for ISP could not exceed six percent of the total amount spent for all four medical special pays) and removed the individual payment ceiling for critical wartime specialties. The maximum individual payments for any officer whose category has not been designated as a critically needed wartime specialty remained at \$8,000. Public law 101-189 again changed ISP rules by rescinding the \$8,000 payment ceiling for other shortage specialties and allowing individual ISP payments to rise to \$22,000 beginning

in FY91; to \$29,000 beginning in FY92; and \$36,000 for any twelve month period beginning after FY92.

(5) Multi-year Special Pay - the FY91 DOD Authorization Act (PL 101-510) authorized a new multi-year special pay to be used in conjunction with ISP. Officers must be either unobligated for medical education and training or must have eight years of creditable service. There are three categories of specialties/pays with different pay levels for 2 year, 3 year, and 4 year contracts. The annual amounts range from \$2,000 to \$14,000.

Other Special Pay - Dentist Pay - these payments are authorized by 37 USC 302b, 302h, and 311 and are intended to provide monetary incentives for the procurement and retention of dental officers. A dentist may qualify for the following special pays:

(1) Variable Special Pay - paid monthly as an automatic entitlement to all dental corps officers on active duty. The annual rate of pay is based on the number of years of creditable service for special pay. The annual rate ranges from \$3,000 to \$12,000.

(2) Board Certified Pay - paid on a monthly basis to dental corps officers, who are currently certified by an American dental association specialty examining board or who have been awarded board certification equivalency by the surgeon general. The annual rate is based on the number of years of creditable service for special pay. The annual rate ranges from \$2,500 to \$6,000.

(3) Additional Special Pay - paid as a lump sum bonus to dental corps officers, who are not undergoing internship of initial residency training, have a minimum of three years of creditable service for special pay, and who execute an agreement to remain on active duty for one year. The rate of pay is based on the number of years of creditable service for special pay. The payment amount ranges from \$4,000 to \$15,000.

(4) Multi-year Retention Bonus - the FY98 DOD Authorization Act (PL 105-85) authorized the use of a retention bonus for dental officers who execute a written agreement to remain on active duty for two, three, or four years after completion of any other active duty service commitment. Eligibility criteria require that a dental corps officer must be below the pay grade of O-7 and have a dental specialty in oral and maxillofacial surgery; have at least eight years of creditable service or have completed any active duty service commitment incurred for dental education and training; and have completed initial residency training (or will complete such training before 30 Sep of the fiscal year in which the officer enters into an agreement). The payment amount ranges from \$4,000 to \$14,000.

(5) Accession Bonus - paid to an individual who is a graduate of an accredited dental school and who executes an agreement to remain on active duty as a commissioned officer for a period of not less than four years. The amount of the accession bonus may not exceed \$30,000.

Nurses - PL 101-189 authorized incentive special pay for nurse anesthetists and an accession bonus for nurses. Nurse anesthetist special pay of \$6,000 per individual for 1 year requires a written agreement to remain on active duty for a period of not less than 12 months. The FY95 National Defense Authorization Act increased the individual payment amount from \$6,000 to \$15,000 for nurse anesthetists with more than 4 years of service. The accession bonus of \$5,000

per individual requires acceptance of a commission as an officer combined with an agreement to remain on active duty for four years.

Board Certified Pay for Non-physician Health Care Providers - authorized by the FY91 DOD Authorization Act. It is paid on a monthly basis to an officer who is a health care provider based on the definition provided by DOD Directive 6025.11, has a post baccalaureate degree in the officer's clinical specialty and is certified by a professional board in the officer's specialty. The annual rate of pay is based on years of creditable service. The annual amounts range from \$2,000 to \$5,000.

Optometrists - these payments are authorized by 37 USC section 302a and are intended to provide monetary incentives for the procurement and retention of optometry officers. These officers are authorized \$100 per month of active duty.

Veterinarians - these payments are authorized by 37 USC section 303 and are intended to provide monetary incentives for the procurement and retention of veterinary officers. These officers are authorized \$100 per month of active duty.

Personal Allowance, General Officers - in addition to other pay and allowances authorized, an officer who is entitled to basic pay is entitled to a personal money allowance of (1) \$500 a year while serving in the grade of lieutenant general, (2) \$2,200 per year while serving in the grade of general, (3) \$2,200 in addition to the personal money allowance in (1) above while serving as a senior member of the military staff committee of the United Nations and (4) \$4,000 per year, in place of any other personal money allowance, while serving as Chief of Staff of the Army (37 USC 414). Additionally, an officer serving as the Chairman of the Joint Chiefs of Staff is entitled to \$4,000 per year in place of any other personal money allowance (37 USC 413). This allowance is intended to partially reimburse high ranking officers for the many unusual personal expenses they incur in the performance of their official duties.

Diving Duty Pay - under regulations prescribed by the Secretary of the Army, an officer or warrant officer who is entitled to basic pay is entitled to special pay at a rate of not more than \$200 a month for periods during which they (1) are assigned by orders to the duty of diving, (2) are required to maintain proficiency as a diver by frequent and regular dives, and (3) actually performs diving duty (37 USC 304). Dive officers are assigned to a position as the leader of a diving detachment which supports marine or special operation units. Duties of marine diving detachments include underwater construction (construction of piers and pipelines), harbor clearance, and ship salvage. Special forces (combat) diving operations include infiltration and exfiltration, combat surface swimming, search and recovery, target attack, harassing and interdiction, and reconnaissance operations.

Sea Duty Pay - Army members who are entitled to basic pay are also entitled, while on sea duty, to special pay at rates which vary with grade and years of sea duty. The range of rates for warrant officers and officers is \$130 to \$410 per month. The term "sea duty" means duty performed by a member (1) while assigned to a ship, and while serving on a ship the primary mission of which is accomplished while underway; or (2) while assigned to a ship and while serving on a ship the primary mission of which is normally accomplished while in port, but only while the ship is away from its home port for 30 or more consecutive days. Additionally, the member entitled to career sea pay who has served 36 consecutive months of sea duty is entitled to a career sea pay premium of \$100 per month for the 37th month and each consecutive month of sea duty served (37 USC 305a). Individuals who are affected by career sea pay are generally assigned to one of four locations: Fort Eustis, Virginia; Hawaii; Panama; and the Azores.

Foreign Language Proficiency Pay (FLPP) - this pay is authorized under the provisions of 37 USC 316. FLPP is a monthly monetary incentive that is paid to all military personnel who qualify for and maintain the required proficiency in designated foreign languages. The monthly rate may not exceed \$100.00 per individual.

Hostile Fire Pay - paid to officers on duty subject to hostile fire or imminent danger (37 USC 310). Paid at the rate of \$150 per month.

## **Part II - Justification of Funds Requested**

The projected average number of personnel is based on the total spaces where each type of pay is authorized to meet force structure requirements. Funding requirements are based on the estimated number of officers eligible for each type of payment and rate of payment.

Detailed cost computations are provided by the following table:

OFFICER SPECIAL PAY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL PAY FOR PHYSICIANS									
VARIABLE SPECIAL PAY.....	4,877	\$ 7,748	\$ 37,787	4,490	\$ 7,695	\$ 34,551	4,380	\$ 7,987	\$ 34,983
ADDITIONAL SPECIAL PAY.....	3,341	15,000	50,115	3,231	15,000	48,465	3,163	15,000	47,445
BOARD CERTIFIED PAY.....	2,531	3,752	9,496	2,506	3,809	9,545	2,496	3,800	9,485
MEDICAL INCENTIVE PAY.....	2,783	18,921	52,657	2,699	19,677	53,108	2,673	20,279	54,206
MEDICAL MULTI-YEAR SPECIAL PAY.....	976	9,453	9,226	936	9,748	9,124	936	9,748	9,124
SUBTOTAL.....	14,508		\$ 159,281	13,862		\$ 154,793	13,648		\$ 155,243
OTHER SPECIAL PAY									
DENTIST PAY									
VARIABLE SPECIAL PAY.....	1,058	\$ 4,601	\$ 4,868	1,098	\$ 7,696	\$ 8,450	1,120	\$ 8,088	\$ 9,059
BOARD CERTIFIED PAY.....	401	5,441	2,182	426	5,439	2,317	436	5,438	2,371
ADDITIONAL SPECIAL PAY.....	863	7,629	6,584	1,052	11,740	12,350	1,072	11,737	12,582
MULTIYEAR RETENTION BONUS.....	0	0	0	55	14,000	770	55	14,000	770
ACCESSION BONUS.....	20	30,000	600	70	30,000	2,100	85	30,000	2,550
SAVED PAY.....			18			0			0
SUBTOTAL.....	2,342		\$ 14,252	2,701		\$ 25,987	2,768		\$ 27,332
NURSE PAY									
ACCESSION BONUS.....	25	\$ 5,000	\$ 125	25	\$ 5,000	\$ 125	25	\$ 5,000	\$ 125
ANESTHETISTS PAY.....	197	10,569	2,082	269	11,286	3,036	269	11,286	3,036
SUBTOTAL.....	222		\$ 2,207	294		\$ 3,161	294		\$ 3,161
BOARD CERTIFIED PAY									
FOR NON-PHYSICIAN									
HEALTH CARE PROVIDER.....	420	2,510	1,054	610	2,595	1,583	645	2,597	1,675
OPTOMETRISTS.....	125	\$ 1,200	\$ 150	127	\$ 1,200	\$ 152	127	\$ 1,200	\$ 152
VETERINARIANS.....	406	\$ 1,200	\$ 487	422	\$ 1,200	\$ 506	414	\$ 1,200	\$ 497
TOTAL MEDICAL PAY.....	18,023		\$ 177,431	18,016		\$ 186,182	17,896		\$ 188,060

OFFICER SPECIAL PAY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PERSONAL ALLOWANCES									
GENERAL OFFICERS									
CHAIRMAN, JCS.....	1	\$ 4,000	\$ 4	1	\$ 4,000	\$ 4	1	\$ 4,000	\$ 4
CHIEF OF STAFF.....	1	4,000	4	1	4,000	4	1	4,000	4
SENIOR MEMBER OF STAFF COMMITTEE OF UNITED NATIONS.....	1	2,700	3	1	2,700	3	1	2,700	3
GENERAL.....	11	2,200	24	9	2,200	20	9	2,200	20
LIEUTENANT GENERAL.....	39	500	20	34	500	17	33	500	17
SUBTOTAL.....	53		\$ 55	46		\$ 48	45		\$ 48
DIVING DUTY PAY.....	54	\$ 2,185	\$ 118	54	\$ 2,185	\$ 118	54	\$ 2,185	\$ 118
HOSTILE FIRE PAY.....	3,871	1,800	6,968	1,486	1,800	2,675	482	1,800	868
SEA DUTY PAY.....	105	3,371	354	105	3,390	356	105	3,476	365
FOREIGN LANGUAGE PAY.....	2,095	728	1,525	2,095	728	1,525	2,095	728	1,525
TOTAL OFFICER SPECIAL PAY.....	24,201		\$ 186,451	21,802		\$ 190,904	20,677		\$ 190,984

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 0
ESTIMATE FY 1998	\$ 110,818
ACTUAL FY 1997	\$ 436,648

**Project: Basic Allowance for Quarters - Officers**

**Part I - Purpose and Scope**

The member who is entitled to basic pay is entitled to a basic allowance for quarters (BAQ) at monthly rates according to the pay grade in which the member is assigned or distributed for basic pay purposes. However, a member who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service appropriate to the member's grade, rank or rating, and adequate for the member and the member's dependents if with dependents, is not entitled to a BAQ, except that a member assigned to such quarters may not be denied a BAQ if, because of orders of competent authority, the member's dependents are prevented from occupying those quarters (37 USC 403). There are four types of BAQ payments: (1) to members with dependents, not occupying government quarters; (2) to members without dependents, not occupying government quarters; (3) partial payment to members without dependents assigned to single-type quarters; and (4) to members with dependents occupying inadequate housing. Under the provisions of P.L. 97-214, dated 12 July 82, effective 1 October 82, the rental charge for inadequate quarters will be the fair rental value for such quarters, not to exceed 75 percent of the occupant's BAQ at the with dependents rate.

Congress approved in the FY 1998 National Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA).

**Part II - Justification of Funds Requested**

The FY 1998 BAQ amounts reflect payments for 3 months (October - December 1997). Effective 1 January 1998, the payments are included under BAH.

Detailed cost computations are provided by the following table:



OFFICER BASIC ALLOWANCE FOR QUARTERS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ WITH DEPENDENTS						
GENERAL.....	53	12,057	\$ 639	14	12,429	\$ 174
COLONEL.....	2,133	10,849	23,141	539	11,200	6,037
LIEUTENANT COLONEL.....	5,818	10,457	60,839	1,462	10,795	15,782
MAJOR.....	8,657	9,218	79,800	2,004	9,516	19,070
CAPTAIN.....	11,088	7,701	85,389	2,723	7,952	21,653
1ST LIEUTENANT.....	2,460	6,684	16,443	720	6,898	4,967
2ND LIEUTENANT.....	2,226	6,051	13,470	474	6,249	2,962
OFFICER SUBTOTAL.....	32,435		\$ 279,721	7,936		\$ 70,645
WARRANT OFFICER (5).....	250	8,897	2,224	62	9,185	569
WARRANT OFFICER (4).....	914	8,157	7,455	237	8,421	1,996
WARRANT OFFICER (3).....	1,890	7,474	14,126	490	7,715	3,780
WARRANT OFFICER (2).....	2,631	6,875	18,088	631	7,098	4,479
WARRANT OFFICER (1).....	855	5,946	5,084	224	6,138	1,375
WARRANT OFFICER SUBTOTAL.....	6,540		\$ 46,977	1,644		\$ 12,199
TOTAL BAQ						
WITH DEPENDENTS.....	38,975		\$ 326,698	9,580		\$ 82,844
BAQ WITHOUT DEPENDENTS						
GENERAL.....	4	10,000	\$ 40	0		\$ 0
COLONEL.....	193	8,979	1,733	48	9,270	445
LIEUTENANT COLONEL.....	871	8,648	7,532	218	8,928	1,946
MAJOR.....	2,131	8,015	17,080	499	8,274	4,129
CAPTAIN.....	6,032	6,456	38,943	1,469	6,665	9,791
1ST LIEUTENANT.....	3,869	5,139	19,883	1,125	5,305	5,968
2ND LIEUTENANT.....	3,840	4,329	16,623	812	4,472	3,631
OFFICER SUBTOTAL.....	16,940		\$ 101,834	4,171		\$ 25,910
WARRANT OFFICER (5).....	24	8,142	195	6	8,406	50
WARRANT OFFICER (4).....	89	7,232	644	23	7,465	172
WARRANT OFFICER (3).....	248	6,078	1,507	64	6,274	402
WARRANT OFFICER (2).....	735	5,397	3,967	175	5,572	975
WARRANT OFFICER (1).....	281	4,518	1,270	73	4,664	340
WARRANT OFFICER SUBTOTAL.....	1,377		\$ 7,583	341		\$ 1,939
TOTAL BAQ						
WITHOUT DEPENDENTS.....	18,317		\$ 109,417	4,512		\$ 27,849

OFFICER BASIC ALLOWANCE FOR QUARTERS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999	
	AVERAGE NUMBER	AVERAGE NUMBER	AVERAGE NUMBER	AMOUNT
	RATE	RATE	RATE	AMOUNT
BAQ PARTIAL ALLOWANCE				
BACHELOR				
GENERAL.....	1 \$ 1,000	0	0	\$ 0
COLONEL.....	6 475	2	0	0
LIEUTENANT COLONEL.....	23 396	5	0	0
MAJOR.....	90 320	21	0	0
CAPTAIN.....	471 266	114	0	0
1ST LIEUTENANT.....	395 212	115	0	0
2ND LIEUTENANT.....	1,508 158	319	0	0
OFFICER SUBTOTAL.....	2,494	576	0	\$ 0
WARRANT OFFICER (5).....	1 302	0	0	0
WARRANT OFFICER (4).....	3 302	1	0	0
WARRANT OFFICER (3).....	15 248	4	0	0
WARRANT OFFICER (2).....	72 191	17	0	0
WARRANT OFFICER (1).....	35 166	9	0	0
WARRANT OFFICER SUBTOTAL.....	126	31	0	\$ 0
TOTAL BAQ PARTIAL ALLOWANCE BACHELOR.....	2,620	607	0	\$ 0
BAQ INADEQUATE FAMILY HOUSING				
GENERAL.....	0	0	0	\$ 0
COLONEL.....	0 2,712	0	0	0
LIEUTENANT COLONEL.....	0 2,614	0	0	0
MAJOR.....	3 2,304	1	0	0
CAPTAIN.....	5 1,925	2	0	0
1ST LIEUTENANT.....	0 1,671	0	0	0
2ND LIEUTENANT.....	0 1,513	0	0	0
OFFICER SUBTOTAL.....	8	3	0	\$ 0
WARRANT OFFICER (5).....	0 2,224	0	0	0
WARRANT OFFICER (4).....	0 2,039	0	0	0
WARRANT OFFICER (3).....	0 1,868	0	0	0
WARRANT OFFICER (2).....	1 1,719	2	0	0
WARRANT OFFICER (1).....	0 1,487	0	0	0
WARRANT OFFICER SUBTOTAL.....	1	0	0	\$ 0
TOTAL BAQ INADEQUATE FAMILY HOUSING.....	9	3	0	\$ 0
TOTAL OFFICER BASIC ALLOWANCE FOR QUARTERS.....	59,921	14,702	0	\$ 0
				\$ 110,818

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 0  
\$ 26,363  
\$ 104,764

**Project: Variable Housing Allowance - Officers**

**Part I - Purpose and Scope**

The funds required are to provide for payment of a variable housing allowance (VHA) authorized under the provisions of Title 37, United States Code, Section 403a. Under this law a member entitled to a basic allowance for quarters is authorized a variable housing allowance whenever assigned to duty in an area of the United States, including Alaska and Hawaii if assigned to these two states on or after 9 Nov 85, which has been designated as a high cost area. This payment is also made to those members serving unaccompanied tours of duty outside the United States when the member's dependents reside in an area where this allowance is authorized.

Congress approved in the FY 1998 National Defense Authorization Act the payment of basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA).

**Part II - Justification of Funds Requested**

The FY 1998 VHA amounts reflect payments for 3 months (October - December 1997). Effective 1 January 1998, the payments are included under BAH.

Detailed cost computations are provided by the following table:

OFFICER VARIABLE HOUSING ALLOWANCE  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
GENERAL.....	56	\$ 3,429	\$ 192	14	\$ 3,500	\$ 49	0	\$ 0	\$ 0
COLONEL.....	2,139	3,568	7,632	538	3,625	1,950	0	0	0
LIEUTENANT COLONEL.....	6,133	3,153	19,337	1,535	3,203	4,917	0	0	0
MAJOR.....	9,285	2,483	23,055	2,252	2,522	5,680	0	0	0
CAPTAIN.....	14,456	1,882	27,206	3,535	1,912	6,758	0	0	0
1ST LIEUTENANT.....	5,179	1,428	7,396	1,510	1,451	2,190	0	0	0
2ND LIEUTENANT.....	4,792	1,428	6,843	1,018	1,451	1,477	0	0	0
OFFICER SUBTOTAL.....	42,040		\$ 91,661	10,402		\$ 23,021	0		\$ 0
WARRANT OFFICER (5).....	245	2,401	588	61	2,439	149	0	0	0
WARRANT OFFICER (4).....	894	2,202	1,969	231	2,237	517	0	0	0
WARRANT OFFICER (3).....	1,863	1,896	3,532	482	1,926	928	0	0	0
WARRANT OFFICER (2).....	2,874	1,803	5,182	686	1,832	1,256	0	0	0
WARRANT OFFICER (1).....	1,059	1,730	1,832	280	1,757	492	0	0	0
WARRANT OFFICER SUBTOTAL.....	6,935		\$ 13,103	1,740		\$ 3,342	0		\$ 0
TOTAL OFFICER									
VARIABLE HOUSING ALLOWANCE..	48,975		\$ 104,764	12,142		\$ 26,363	0		\$ 0

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 561,424  
\$ 411,571  
\$ 0

**Project: Basic Allowance for Housing - Officers**

**Part I - Purpose and Scope**

Congress approved in the FY 1998 National Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA). Payment to service members is authorized by revisions to 37 U.S.C. 403.

**Part II - Justification of Funds Requested**

The FY 1998 amounts for BAH reflects the 1 January 1998 start date for BAH and includes a 2.5 percent increase which is the composite of the 2.8 percent applicable to BAQ and the 1.4 percent rate applicable to VHA. The FY 1999 amounts reflect a full year's cost and includes a 2.8 percent increase. This increase is the estimated housing rate increase that will result from the contractor generated surveys of actual housing costs which will be completed during 1998.

Detailed cost computations are provided by the following table:

OFFICER BASIC ALLOWANCE FOR HOUSING  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE NUMBER	RATE	AVERAGE NUMBER	RATE	AVERAGE NUMBER	RATE
BAH WITH DEPENDENTS						
GENERAL.....	0	0	41	15,610	54	16,389
COLONEL.....	0	0	1,617	14,556	2,275	14,940
LIEUTENANT COLONEL.....	0	0	4,386	13,752	5,845	14,112
MAJOR.....	0	0	6,011	11,784	8,063	12,108
CAPTAIN.....	0	0	8,163	9,624	10,815	9,888
1ST LIEUTENANT.....	0	0	2,160	8,280	2,808	8,508
2ND LIEUTENANT.....	0	0	1,423	7,572	1,726	7,776
OFFICER SUBTOTAL.....	0		23,801	\$ 262,548	31,586	\$ 359,236
WARRANT OFFICER (5).....	0	0	188	7,572	271	7,776
WARRANT OFFICER (4).....	0	0	713	7,572	1,133	7,776
WARRANT OFFICER (3).....	0	0	1,471	7,572	1,877	7,776
WARRANT OFFICER (2).....	0	0	1,892	7,572	2,426	7,776
WARRANT OFFICER (1).....	0	0	672	7,572	1,021	7,776
WARRANT OFFICER SUBTOTAL.....	0		4,936	\$ 45,289	6,728	\$ 63,487
TOTAL BAH						
WITH DEPENDENTS.....	0		28,737	\$ 307,837	38,314	\$ 422,723
BAH WITHOUT DEPENDENTS						
GENERAL.....	0	0	2	13,000	4	13,000
COLONEL.....	0	0	145	12,216	203	12,552
LIEUTENANT COLONEL.....	0	0	652	11,700	861	12,024
MAJOR.....	0	0	1,496	10,536	1,990	10,836
CAPTAIN.....	0	0	4,407	8,172	5,790	8,400
1ST LIEUTENANT.....	0	0	3,373	6,372	4,346	6,552
2ND LIEUTENANT.....	0	0	2,438	5,520	2,932	5,676
OFFICER SUBTOTAL.....	0		12,513	\$ 96,152	16,126	\$ 128,270
WARRANT OFFICER (5).....	0	0	18	5,520	26	5,676
WARRANT OFFICER (4).....	0	0	68	5,520	108	5,676
WARRANT OFFICER (3).....	0	0	192	5,520	243	5,676
WARRANT OFFICER (2).....	0	0	525	5,520	667	5,676
WARRANT OFFICER (1).....	0	0	219	5,520	329	5,676
WARRANT OFFICER SUBTOTAL.....	0		1,022	\$ 7,194	1,373	\$ 9,949
TOTAL BAH						
WITHOUT DEPENDENTS.....	0		13,535	\$ 103,346	17,499	\$ 138,219

OFFICER BASIC ALLOWANCE FOR HOUSING  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH PARTIAL ALLOWANCE						
BACHELOR						
GENERAL.....	0	0	\$ 0	1	\$ 1,000	\$ 1
COLONEL.....	0	0	0	5	475	3
LIEUTENANT COLONEL.....	0	0	0	17	396	7
MAJOR.....	0	0	0	66	320	28
CAPTAIN.....	0	0	0	345	266	120
1ST LIEUTENANT.....	0	0	0	344	212	94
2ND LIEUTENANT.....	0	0	0	957	158	182
OFFICER SUBTOTAL.....	0		\$ 0	1,735		\$ 437
WARRANT OFFICER (5).....	0	0	0	1	158	0
WARRANT OFFICER (4).....	0	0	0	2	158	1
WARRANT OFFICER (3).....	0	0	0	12	158	4
WARRANT OFFICER (2).....	0	0	0	51	158	12
WARRANT OFFICER (1).....	0	0	0	27	158	7
WARRANT OFFICER SUBTOTAL.....	0		\$ 0	93		\$ 24
TOTAL BAH PARTIAL ALLOWANCE BACHELOR.....	0		\$ 0	1,828		\$ 461
BAH INADEQUATE FAMILY						
HOUSING						
GENERAL.....	0	0	\$ 0	0		\$ 0
COLONEL.....	0	0	0	0	3,639	0
LIEUTENANT COLONEL.....	0	0	0	0	3,438	0
MAJOR.....	0	0	0	3	2,946	9
CAPTAIN.....	0	0	0	5	2,406	12
1ST LIEUTENANT.....	0	0	0	0	2,070	0
2ND LIEUTENANT.....	0	0	0	0	1,893	0
OFFICER SUBTOTAL.....	0		\$ 0	8		\$ 21
WARRANT OFFICER (5).....	0	0	0	0	1,893	0
WARRANT OFFICER (4).....	0	0	0	0	1,893	0
WARRANT OFFICER (3).....	0	0	0	0	1,893	0
WARRANT OFFICER (2).....	0	0	0	1	1,893	0
WARRANT OFFICER (1).....	0	0	0	0	1,893	0
WARRANT OFFICER SUBTOTAL.....	0		\$ 0	1		\$ 0
TOTAL BAH INADEQUATE FAMILY HOUSING.....	0		\$ 0	9		\$ 21
TOTAL OFFICER BASIC ALLOWANCE FOR HOUSING.....	0		\$ 0	44,109		\$ 561,424

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 147,905
ESTIMATE FY 1998	\$ 148,799
ACTUAL FY 1997	\$ 148,795

**Project: Basic Allowance for Subsistence - Officers**

**Part I - Purpose and Scope**

The funds requested will provide for subsistence allowance authorized by 37 U.S.C. 402 and P.L. 96-343.

**Part II - Justification of Funds Requested**

Subsistence allowance costs are obtained by multiplying the projected average number eligible for the allowance by the annual statutory rate. The estimates for FY99 reflect a pay raise of one percent for regular BAS, while the enlisted Partial BAS is resourced from the remainder of the pay raise.

Detailed cost computations are provided by the following table:



OFFICER BASIC ALLOWANCE FOR SUBSISTENCE  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR SUBSISTENCE.....	81,023	\$ 1,836.45	\$ 148,795	79,837	\$ 1,863.78	\$ 148,799
				78,571	\$ 1,882.44	\$ 147,905

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 95,245  
\$ 98,878  
\$ 128,965

**Project: Station Allowance Overseas - Officers**

**Part I - Purpose and Scope**

The funds requested will provide payment of a per diem allowance to officers on duty outside the United States considering all elements of the cost of living, including quarters, subsistence, and other necessary incidental expenses as prescribed by joint travel regulations and authorized under provisions of 37 U.S.C. 405.

**Part II - Justification of Funds Requested**

Overseas station allowance payments are determined by multiplying the projected number of personnel eligible for each type of allowance by an estimated average rate.

Fluctuations in currency exchange rates have a direct impact on overseas station allowances. This is especially true in the case of Germany. The FY99 estimate for overseas station allowances are based on exchange rates of 1.79 DM/\$1 US. Beginning with FY97, MPA re-joined the Foreign Currency Fluctuations, Defense account.

From FY98 to FY99, the requirement for overseas station allowance decreases by a net \$3.6 million. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: +\$0.2 million.
- (2) The 3.1 percent, 1 Jan 99 pay raise: +\$0.7 million.
- (3) Cost growth for TLA inflation: +\$0.2 million.
- (4) Rate changes due to foreign currency fluctuations: -\$3.2 million.
- (5) Changes in number of officers stationed overseas: -\$1.5 million.

Detailed cost computations are provided by the following table:

OFFICER OVERSEAS STATION ALLOWANCE  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
<b>COST OF LIVING</b>									
GENERAL.....	61	\$ 7,164	\$ 437	60	\$ 5,150	\$ 309	58	\$ 5,293	\$ 307
COLONEL.....	687	7,331	5,036	671	4,948	3,320	649	5,099	3,309
LIEUTENANT COLONEL.....	1,826	6,739	12,305	1,784	4,606	8,217	1,725	4,746	8,187
MAJOR.....	2,874	5,942	17,077	2,807	3,907	10,968	2,715	4,025	10,929
CAPTAIN.....	5,185	4,481	23,234	5,065	3,157	15,990	4,898	3,253	15,933
1ST LIEUTENANT.....	2,186	3,957	8,650	2,135	2,764	5,901	2,065	2,848	5,881
2ND LIEUTENANT.....	2,095	2,505	5,248	2,046	1,916	3,921	1,979	1,974	3,906
WARRANT OFFICER (5).....	83	5,496	456	78	3,852	300	70	3,969	278
WARRANT OFFICER (4).....	302	4,924	1,487	298	3,455	1,030	294	3,560	1,047
WARRANT OFFICER (3).....	873	4,268	3,726	853	2,988	2,549	825	3,079	2,540
WARRANT OFFICER (2).....	1,669	3,870	6,459	1,630	2,800	4,563	1,577	2,886	4,551
WARRANT OFFICER (1).....	398	2,843	1,132	388	2,238	868	376	2,306	867
SUBTOTAL.....	18,239		\$ 85,247	17,815		\$ 57,936	17,231		\$ 57,735
<b>HOUSING ALLOWANCE</b>									
GENERAL.....	0	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 0	\$ 0
COLONEL.....	126	12,280	1,547	122	12,413	1,514	123	11,011	1,354
LIEUTENANT COLONEL.....	479	8,242	3,948	464	8,482	3,936	468	6,994	3,273
MAJOR.....	698	7,115	4,966	676	7,225	4,884	681	5,851	3,984
CAPTAIN.....	1,320	7,485	9,880	1,277	6,490	8,287	1,288	6,122	7,885
1ST LIEUTENANT.....	788	5,726	4,512	762	6,130	4,671	769	4,875	3,749
2ND LIEUTENANT.....	564	7,202	4,062	546	6,668	3,641	551	5,558	3,062
WARRANT OFFICER (5).....	15	7,250	109	15	6,979	105	14	5,623	79
WARRANT OFFICER (4).....	59	6,634	391	57	6,380	364	58	5,046	293
WARRANT OFFICER (3).....	152	6,697	1,018	147	6,282	923	148	5,581	826
WARRANT OFFICER (2).....	238	7,514	1,788	231	5,903	1,364	232	6,192	1,436
WARRANT OFFICER (1).....	41	8,231	337	40	7,502	300	40	6,002	240
SUBTOTAL.....	4,480		\$ 32,558	4,337		\$ 29,989	4,372		\$ 26,181
TEMPORARY LODGING ALLOWANCE.....	7,445	\$ 1,499	\$ 11,160	7,206	\$ 1,520	\$ 10,953	7,342	\$ 1,543	\$ 11,329
TOTAL OFFICER STATION ALLOWANCE OVERSEAS.....	30,164		\$ 128,965	29,358		\$ 98,878	28,945		\$ 95,245

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 517  
\$ 517  
\$ 517

**Project: CONUS Cost of Living Allowance - Officers**

**Part I - Purpose and Scope**

The funds requested will provide payment of a cost of living allowance (COLA) to soldiers who are assigned to high cost areas in the Continental United States (CONUS). A high cost area is defined as a locality where the cost of living exceeds the average cost of living in CONUS by an established threshold percentage during a base period. The threshold percentage is established by the Secretary of Defense but cannot be less than eight percent. The current established threshold is 108 percent of the national cost of living average. The amount of COLA payable is the product of spendable income (based on regular military compensation level) times the difference between the COLA index for the individual's high cost area and the threshold percentage. This allowance was authorized by the FY95 DOD Authorization Act.

**Part II - Justification of Funds Requested**

CONUS COLA payments are determined by multiplying the projected number of personnel eligible by an estimated average rate.

Detailed cost computations are provided by the following table:



(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 2,567  
\$ 2,580  
\$ 2,875

### **Project: Clothing Allowances - Officers**

#### **Part I - Purpose and Scope**

The requested funds will provide for the initial payment and supplemental allowance for purchases of required uniforms under provisions of 37 U.S.C. 415 and 416. Also included are funds for civilian clothing allowance for officers assigned to a permanent duty station outside the United States who are required to wear civilian clothing in the performance of official duty in accordance with 37 U.S.C. 419. The entitlement to a civilian clothing allowance for officers was effective 4 December 1987.

#### **Part II - Justification of Funds Requested**

The estimated number of payments is based on the projected gains into the Army and the anticipated overseas requirements where individuals are required to wear civilian clothing in the performance of official duty. Allowances for uniform and clothing purchases are developed by multiplying the projected number eligible for each type of allowance by the applicable rate.

Detailed cost computations are provided by the following table:

OFFICER CLOTHING ALLOWANCES  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999		AMOUNT
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	
UNIFORM ALLOWANCES							
INITIAL.....	7,370	\$ 200	6,321	\$ 200	6,210	\$ 200	\$ 1,242
ADDITIONAL.....	7,370	100	6,321	100	6,210	100	621
SUBTOTAL.....	14,740		12,642		12,420		\$ 1,863
CIVILIAN CLOTHING							
WINTER AND SUMMER.....	530	\$ 1,253	530	\$ 1,290	530	\$ 1,329	\$ 704
TOTAL OFFICER CLOTHING ALLOWANCES.....	15,270		13,172		12,950		\$ 2,567

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 4,266  
\$ 5,753  
\$ 5,722

## **Project: Family Separation Allowances - Officers**

### **Part I - Purpose and Scope**

The funds are to provide family separation payments to officers with dependents on duty outside the U.S. or in Alaska for added separation expenses under two circumstances:

- (1) Travel of dependents to overseas duty station is not authorized and the member maintains two homes, one in CONUS for his family and one overseas for himself. Payment is made at the monthly quarters allowance rate authorized for a member of the same grade without dependents.
- (2) When a member with dependents makes a permanent change of station, is on temporary duty travel, or on board ship for thirty days or more either in CONUS or overseas and the travel of dependents to his duty station is not authorized and dependents do not reside at or near the duty station. The FY98 Authorization Act increased the authorized monthly rate from \$75 to \$100, effective 1 January 1998.

### **Part II - Justification of Funds Requested**

The estimated number of payments is based on execution data projected into the future and modified to reflect anticipated overseas stationing requirements. Allowances for family separation are determined by multiplying the estimated number of personnel eligible for each type of family separation allowance by the statutory rate applicable.

From FY98 to FY99, the requirement for family separation allowances decreases by a net \$1.5 million. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 and the 3.1 percent, 1 Jan 99 pay raises and annualization of the 1 Jan 98 rate increase for family separation allowance, type II: +\$0.2 million.
- (2) Reduced need for family separation allowance, type II associated primarily with absence of contingency requirements: -\$1.7 million.

Detailed cost computations are provided by the following table:



OFFICER FAMILY SEPARATION ALLOWANCES  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
PCS OVERSEAS WITH DEPENDENTS NOT AUTHORIZED AND MAINTAINS TWO HOMES									
COLONEL.....	10	\$ 8,979.30	\$ 90	9	\$ 9,269.86	\$ 83	9	\$ 9,550.42	\$ 86
LIEUTENANT COLONEL.....	30	8,648.10	259	29	8,928.03	259	29	9,198.24	267
MAJOR.....	37	8,014.50	297	36	8,273.78	298	36	8,524.18	307
CAPTAIN.....	53	6,456.00	342	52	6,665.09	347	52	6,866.81	357
1ST LIEUTENANT.....	7	5,139.00	36	7	5,305.12	37	7	5,465.68	38
2ND LIEUTENANT.....	10	4,329.00	43	10	4,471.98	45	10	4,607.33	46
WARRANT OFFICER (5).....	2	8,142.30	16	2	8,406.10	17	2	8,660.51	17
WARRANT OFFICER (4).....	7	7,231.50	51	7	7,465.14	52	7	7,691.08	54
WARRANT OFFICER (3).....	18	6,077.70	109	18	6,274.25	113	18	6,464.14	116
WARRANT OFFICER (2).....	32	5,397.30	173	31	5,572.21	173	31	5,740.85	178
WARRANT OFFICER (1).....	4	4,518.00	18	4	4,664.34	19	4	4,805.50	19
SUBTOTAL.....	210		\$ 1,434	205		\$ 1,443	205		\$ 1,485
PCS CONUS OR OVERSEAS WITH DEPENDENT NOT AUTHORIZED.....	1,900	900.00	1,710	1,864	1,125.00	2,097	1,893	1,200.00	2,272
TDY CONUS OR OVERSEAS FOR MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TDY STATION.....	2,864	900.00	2,578	1,967	1,125.00	2,213	424	1,200.00	509
TOTAL OFFICER FAMILY SEPARATION ALLOWANCES.....	4,974		\$ 5,722	4,036		\$ 5,753	2,522		\$ 4,266

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 142,731  
\$ 75,703  
\$ 175,005

## **Project: Separation Payments - Officers**

### **Part I - Purpose and Scope**

Severance Pay - payment of non-disability separation pay is authorized to retirement ineligible regular commissioned officers, warrant officers, and members of the reserve component who are involuntarily released from active duty after having completed at least 5 years of active duty. Payment of disability severance pay is authorized to members on active duty who are discharged because of physical disability and who have less than 20 years service and less than 30 percent disability.

The FY92 National Defense Authorization Act approved two voluntary separation pay programs to employ during the force drawdown. The programs apply to both officers and enlisted soldiers who have more than six and less than 20 years of service. The first, voluntary separation incentive (VSI), is an annuity that makes annual payments for twice the number of years served for soldiers who voluntarily leave active duty. The second program, special separation benefit (SSB), provides a lump sum of one and a half times involuntary separation pay (50% more) for soldiers who voluntarily leave active duty. VSI and SSB will be used to reduce involuntary separations. They will not be offered to all soldiers. The programs will be offered through a differential policy targeting groups facing involuntary separations and soldiers serving in overage specialties to aid in reducing involuntary separations and facilitate force shaping requirements during the drawdown. Soldiers will be given their choice between the two incentives. The authority to use VSI/SSB expires on 30 Sep 99.

The FY93 National Defense Authorization Act approved an active duty early retirement program for use during the drawdown. The early retirement program is necessary to shape the 15-20 year segment of the force. It will assist the Army in achieving its drawdown goals of maintaining readiness and treating people fairly. The criteria for early retirement will include such factors as grade, years of service, and skill, with a focus on the population where the inventory exceeds requirements. Soldiers approved for early retirement will receive the same benefits as individuals with 20 or more years of service. However, their retired pay will be reduced by one percent for each year that they are short of 20 years of active duty. The early retirement amount is the product of 2.5 percent times years of service times basic pay times reduction factor. For the officers who leave under the early retirement program, the Army is required to establish a subaccount within the Military Personnel Appropriation to fund all early retirement payments up front in the Military Personnel Appropriation to cover the entire initial period, which is defined as that period equal to the difference between 20 years and the number of years completed by the member. The authority to use the early retirement program expires on 1 Oct 99.

Accrued Leave Payments - members are authorized 30 days of ordinary leave annually. They may have accumulated a maximum of no more than 60 days unused leave at the beginning of any fiscal year. Upon retirement or separation, members are paid for unused accrued leave at the rate of basic pay to which entitled at time of release. Effective 10 Feb 76, a member cannot be paid for more than 60 days of accrued leave during his military career. This limitation does not include payments for accrued leave made before that date.

## **Part II - Justification of Funds Requested**

Separation payments are determined by multiplying the projected number eligible for each type of payment by the estimated average payment applicable. Accumulated leave payments are made based upon leave accrued as of 1 Sep 76. For leave accumulated prior to 1 Sep 76 and retained throughout the career, payments include basic pay, basic allowance for subsistence, and basic allowance for quarters. For leave accumulated after 1 Sep 76, to include the lowering of leave balances prior to 1 Sep 76, the rate payable is basic pay only. Leave payments will not exceed the career total of 60 days. Severance pay for promotion passover, for separation for cause, and for disability severance pay is 10 percent of the product of (a) years of active service and (b) 12 times the monthly basic pay to which he was entitled at the time of discharge or release from active duty. The SSB amount is based on annual base pay times 15 percent times years of service. The VSI (annuity) is a product of annual base pay times 2.5 percent times years of service and is paid for twice the number of years served, without any cost of living adjustments. The National Defense Authorization Act for FY92 and FY93 required the establishment of a VSI fund effective 1 Jan 93 from which VSI payments will be made. The Act further required the DOD Board of Actuaries to determine: (1) the amount necessary to liquidate the original unfunded liability, i.e., those personnel accepting VSI benefits prior to 1 Jan 93 and (2) the total present value costs necessary to fund those members accepting VSI benefits after 1 Jan 93.

The requirement for separation pays increases by a net \$67.0 million between FY98 and FY99. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: +\$0.7 million.
- (2) The 3.1 percent, 1 Jan 99 pay raise: +\$2.3 million.
- (3) Increased need for separation pays to execute officer strength reductions: +\$60.0 million.
- (4) Additional transfers into the VSI Trust Fund: +\$4.0 million.

Detailed cost computations are provided by the following table:

OFFICER SEPARATION PAYMENTS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999					
	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT	NUMBER	AVG DAYS	RATE	AMOUNT
SEVERANCE PAY												
(DISABILITY).....	73		40,038	\$ 2,923	67		40,338	\$ 2,703	74		41,474	\$ 3,069
SEVERANCE PAY												
(NON-PROMOTIONAL).....	230		40,202	9,246	224		41,354	9,263	804		42,612	34,260
INVOLUNTARY												
HALF-PAY (5%).....	7		15,300	107	6		15,738	94	5		16,217	81
INVOLUNTARY												
FULL-PAY (10%).....	38		40,202	1,528	38		41,354	1,571	38		42,612	1,619
VOLUNTARY SPECIAL SEPARATION												
BENEFIT (15%).....	299		68,265	20,411	40		70,221	2,809	46		72,357	3,328
15 YEAR RETIREMENT.....	764		61,923	47,309	60		63,698	3,822	545		65,587	35,745
SEPARATION PAY												
(NON-DISABILITY).....	1,108			\$ 69,355	144			\$ 8,296	634			\$ 40,773
VOLUNTARY SEPARATION INCENTIVE												
(DIRECT MILPERS PAYMENTS) 1).....	257			67,725	40			33,296	39			37,259
THRU DEC 31, 1992.....	0			28,125	0			28,125	0			28,125
JAN 1, 1993 AND AFTER.....	257			39,600	40			5,171	39			9,134
LUMP SUM TERMINAL LEAVE PAYMENTS												
GENERAL.....	40	55.6	16,275	\$ 651	34	55.6	16,971	\$ 577	41	55.6	17,488	\$ 717
COLONEL.....	587	39.7	8,634	5,068	555	39.7	8,881	4,929	666	39.7	9,150	6,094
LIEUTENANT COLONEL.....	986	29.3	4,880	4,812	1,007	29.3	5,020	5,055	1,208	29.3	5,172	6,248
MAJOR.....	1,417	31.1	4,093	5,800	967	31.1	4,210	4,071	1,160	31.1	4,338	5,032
CAPTAIN.....	2,288	21.4	2,333	5,338	1,701	21.4	2,400	4,082	2,039	21.4	2,472	5,041
1ST LIEUTENANT.....	984	18.7	1,592	1,567	717	18.7	1,638	1,174	860	18.7	1,687	1,451
2ND LIEUTENANT.....	178	18.8	1,192	212	188	18.8	1,226	231	226	18.8	1,263	285
WARRANT OFFICER (5).....	66	32.9	4,963	328	58	32.9	5,105	296	70	32.9	5,260	368
WARRANT OFFICER (4).....	162	32.9	4,227	685	163	32.9	4,348	709	195	32.9	4,480	874
WARRANT OFFICER (3).....	309	20.8	2,089	646	282	20.8	2,149	606	339	20.8	2,214	751
WARRANT OFFICER (2).....	331	22.5	1,850	612	206	22.5	1,903	392	246	22.5	1,961	482
WARRANT OFFICER (1).....	16	30.9	2,284	37	10	30.9	2,349	23	11	30.9	2,421	27
SUBTOTAL.....	7,364			\$ 25,756	5,888			\$ 22,145	7,061			\$ 27,370
TOTAL OFFICER SEPARATION PAYMENTS.....	9,032			\$ 175,005	6,363			\$ 75,703	8,612			\$ 142,731

1) VSI recipients after 31 Dec 92 - Payments are made from the Military Personnel, Army Appropriation to the VSI Trust Fund.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999 \$ 298,713  
ESTIMATE FY 1998 \$ 293,163  
ACTUAL FY 1997 \$ 290,411

## Project: Social Security Tax - Employer's Obligation - Officers

### Part I - Purpose and Scope

The funds requested provide for the employer's tax to the Social Security Administration as required by the Federal Insurance Contribution Act (FICA).

### Part II - Justification of Funds Requested

The FICA tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percent. The old age, survivor, and disability insurance (OASDI) rate is 6.2% and the hospital insurance (HI) is 1.45%. The maximum amounts of earnings per individual on which tax is payable are:

Calendar Year	OASDI Base	Medicare Base
1997	\$65,400	No upper limit
1998	\$68,100	No upper limit
1999	\$71,100	No upper limit

The social security tax requirement increases by a net \$5.6 million between FY98 and FY99. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: +1.7 million.
- (2) The 3.1 percent, 1 Jan 99 pay raise: +\$5.6 million.
- (3) Force manning changes: -\$1.6 million.
- (4) Decrease in wage credit payments: -\$0.2 million.

Detailed cost computations are provided by the following table:

OFFICER SOCIAL SECURITY TAX  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	81,023	\$ 3,094	\$ 250,704	79,837	\$ 3,192	\$ 254,856	78,571	\$ 3,317	\$ 260,606
WAGE CREDITS.....			\$ 39,707			\$ 38,307			\$ 38,107
TOTAL OFFICER SOCIAL SECURITY TAX.....	81,023		\$ 290,411	79,837		\$293,163	78,571		\$298,713

Section 4  
Schedule of Increases and Decreases  
(Amounts in Thousands of Dollars)

Pay and Allowances of Enlisted Personnel			Amount
FY 1998 Direct Program			\$ 12,337,842
<b>Increases</b>			
a.	Pay Raise Reflects annualized costs of the 2.8 percent pay raise 1 Jan 98 and the 3.1 percent 1 Jan 99 pay raises.	346,110	
b.	Inflation Reflects inflation for Variable Housing Allowance, and Temporary Housing Allowance and Enlisted Clothing.	7,286	
c.	Basic Allowance for Housing (BAH) Reflects changes in the family housing inventory, enlisted housing policy changes.	11,580	
d.	Incentive Pay and Family Separation Allowances Reflects changes to hazardous pay and Family Separation.	3,546	
<b>Total Increase:</b>			\$ 368,522
<b>Decreases:</b>			
a.	Force Manning Costs	-144,135	
b.	Retired Pay Accrual Decrease in NCP from 30.5 percent in FY98 to 30.2 percent in FY99.	- 21,925	
c.	FICA Decrease reflects changes in Wage Credit payments.	- 5,112	
e.	Reimbursable Program	- 2,135	
f.	Special Pay Reflects decreased number of members receiving hostile fire payments.	- 9,224	
g.	Separation Pay Reflects decreased number of members receiving separation payments.	- 19,779	
h.	Special Duty Assignment Pay Reflects decreased number of members receiving payments.	- 1,590	
i.	Selective Reenlisted Bonus/Enlistment Bonus	- 715	
j.	Enlisted Clothing Allowance Reflects changes in the numbers receiving.	- 3,298	
k.	Miscellaneous	- 875	
<b>Total Decreases</b>			\$-208,788
<b>FY 1999 Direct Program</b>			<b>\$12,497,576</b>



(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 7,437,252
ESTIMATE FY 1998	\$ 7,308,478
ACTUAL FY 1997	\$ 7,235,255

**Project: Basic Pay - Enlisted**

**Part I - Purpose and Scope**

The funds requested provide for the basic compensation and length of service pay increments of enlisted personnel on active duty under provisions of 37 U.S.C. 201, 203, 205, and 1009. Also included is the compensation of enlisted personnel of the Reserve Components, who have entered active duty as members of the active component of the army.

**Part II - Justification of Funds Requested**

The basic compensation is determined by multiplying the projected average number of personnel by grade by the estimated average annual compensation. The rates reflect actual execution which is adjusted in subsequent years by pay raise and estimated average years of service. In addition to rate changes, many year program changes contribute to the full cost of the basic pay.

The net change in the basic pay requirement is +\$128.8 million from FY 1998 to FY 1999. This is based on--

- (1) Annualization of the 1 Jan 1998, 2.8% pay raise: +\$50.5 million.
- (2) The 1 Jan 1999, 3.1 percent pay raise: +\$169 million.
- (3) Force Manning changes: -\$90.7 million.

Detailed cost computations are provided by the following table:

ENLISTED BASIC PAY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR.....	3,130	\$ 39,393	\$ 123,299	3,200	\$ 40,315	\$ 129,007	3,166	\$ 41,766	\$ 132,232
1ST SERGEANT/MASTER SERGEANT.....	10,930	31,685	346,317	10,804	32,433	350,411	10,813	33,601	363,328
PLATOON SERGEANT/SERGEANT 1ST CLASS.....	40,036	26,695	1,068,747	38,243	27,335	1,045,354	37,006	28,320	1,048,017
STAFF SERGEANT.....	62,241	22,320	1,389,245	58,743	22,855	1,342,579	55,388	23,679	1,311,541
SERGEANT.....	77,918	18,435	1,436,409	75,530	18,858	1,424,381	73,055	19,539	1,427,441
CORPORAL/SPECIALIST 4.....	102,161	15,129	1,545,633	107,882	15,452	1,667,046	112,678	16,011	1,804,091
PRIVATE, FIRST CLASS.....	52,972	12,654	670,295	55,277	12,948	715,724	53,022	13,415	711,281
PRIVATE (E2).....	34,507	12,075	416,663	32,337	12,362	399,759	31,267	12,807	400,443
PRIVATE (E1).....	22,839	10,449	238,647	21,897	10,696	234,217	21,556	11,082	238,878
TOTAL ENLISTED BASIC PAY.....	406,734		\$ 7,235,255	403,913		\$ 7,308,478	397,951		\$ 7,437,252

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 2,246,050  
\$ 2,229,086  
\$ 2,358,693

**Project: Retired Pay Accrual - Enlisted**

**Part I - Purpose and Scope**

The funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with 10 U.S.C. 1466.

**Part II - Justification of Funds Requested**

The budget estimates are derived as a product of:

(a) The DOD Actuary approved full-time normal cost percentage (NCP) of basic pay, i.e., 32.9% 32.6 percent for FY 1997, 30.5 percent for FY 1998, and 30.2 percent for FY 1999.

(b) The total amount of the basic pay expected to be paid during the fiscal year to members of the Active Army.

The estimate net change in the retired pay accrual estimate is +\$17 million from FY 1998 to FY 1999. This change is based on--

- (1) Annualization of the 1 Jan 98, 2.8 percent pay raise: +\$15.3 million.
- (2) The 1 Jan 99, 3.1 percent pay raise: +\$51 million.
- (3) Decrease in NCP from 30.5% to 30.2%: -\$21.9 million.
- (4) Force Manning decreases: -\$27.4 million.

Detailed cost computations are provided by the following table:

ENLISTED RETIRED PAY ACCRUAL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE STRENGTH	RATE	AVERAGE STRENGTH	RATE	AVERAGE STRENGTH	RATE
ENLISTED RETIRED PAY ACCRUAL.....	406,734	\$ 5,799.10	\$ 2,358,693	403,913	\$ 5,518.73	\$ 2,229,086
					397,951	\$ 5,644.04
						\$ 2,246,050

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 68,068  
\$ 66,013  
\$ 52,966

## **Project: Incentive Pay for Hazardous Duty - Enlisted**

### **Part I - Purpose and Scope**

The funds requested will provide for pay to Enlisted Personnel under provisions of 37 U.S.C. 301 for these types of duty:

Crew Member - assigned to a position which requires at least four hours of aerial flight each month. The duties are essential to the operation of aircraft in-flight, or the duties are required to complete specific missions of the aircraft. The members perform duties as crew chiefs, medical airmen, firefighter crash rescue specialists, airborne electronic system operators, and air observers.

Non-Crew Member - assigned to a position which requires at least four hours of aerial flight each month. The duties are directly related to in-flight missions of the aircraft and the duties cannot be performed by crew members. The members perform duties as aircraft maintenance personnel, aerial photographers, helicopter weapons systems repairmen, and medical personnel.

Parachute - assigned to a permanent parachute position or airborne unit which requires parachute jumping as an essential part of military duty, or while undergoing airborne type training, or performing short-term parachute duty. Continuous payment of hazardous duty pay for parachute duty requires at least one parachute jump every three months. Pay for periods of short-term parachute duty is prorated based on the duration of the period such duty is required.

High Altitude Low Opening Jump Pay (HALO) - assigned to a permanent military position which requires parachute jumping from at least 2,500 feet with a planned delay between exit and opening as an essential part of military duties, or while undergoing military free-fall type training at the US Army John F. Kennedy Special Warfare School. Soldiers must be a graduate of the US Army military free-fall course under the proponentcy of the commander, US Army JFK Special Warfare School or undergoing training for such designation and be required by competent orders to engage in military free-fall parachute jumping from an aircraft in aerial flight and who perform the specified minimum number of jumps are entitled to pay. Proficiency requirements will remain the same as static line requirements.

Demolition of Explosives - assigned to a position which requires the member as his primary duty to demolish, by use of objects, obstacles, or explosives; or recover and render harmless, by disarming or demolition, explosives which failed to function as intended or which have become a potential hazard. Demolition pay is limited to those serving in specialty 55D (EOD Specialists).

Experimental Stress - serving as a human test subject in thermal stress experiments at Natick Laboratories; Natick, MA. The tests conducted include development of equipment (mostly clothing) and physiological testing. Also, low pressure, high altitude chamber training is conducted at the US Army Aeromedical Center; Fort Rucker, Alabama.

Toxic Fuel - assigned to a position on a Propellant Draining Kit (PDK) Team which requires handling and maintaining the propellants unsymmetrical dimethyl hydrazine and inhibited red-fuming nitric acid used in the lance missile system.

Toxic Pesticides Exposure - for duty performed while assigned to entomology, pest control, pest management, or preventive medicine functions for a period of 30 consecutive days or more; that requires a member to perform any calendar month a fumigation task utilizing phosphine, sulfuryl fluoride, hydrogen cyanide, methyl bromide, or a fumigant of comparable high acute toxicity and hazard potential.

Chemical Munitions Handlers - this is a peacetime hazardous duty incentive pay for members of the uniformed services whose primary duties require the routine physical handling of chemical munitions or chemical surety material. Routine physical handling must be incident to manufacturing, maintenance, storage, testing, laboratory analysis, transportation, surveillance, assembly, disassembly, demilitarization, or disposal of chemical munitions or chemical surety material. This incentive pay is not authorized for individuals who handle the individual components of binary munitions, diluted solutions of toxic chemicals, riot control agents, chemical defoliants, herbicides, smoke, flame and incendiaries, or industrial chemicals.

## **Part II - Justification of Funds Requested**

The projected average number of payments are based on the total spaces where each type of pay is authorized to meet force structure requirements. The compensation for hazardous duty incentive pay is computed by multiplying the projected average number of each type by the statutory rate.

The increase between FY 1998 and FY 1999 reflects the change in hazardous incentive duty rate increases phased in during FY 1998 and coming into full effect in FY 1999.

Detailed cost computations are provided by the following table:

# ENLISTED INCENTIVE PAY FOR HAZARDOUS DUTY (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
<b>INCENTIVE PAY</b>									
<b>FLYING DUTY CREW MEMBERS</b>									
SERGEANT MAJOR.....	1	\$ 2,400	\$ 2	1	\$ 2,400	\$ 2	1	\$ 2,400	\$ 2
1ST SERGEANT/MASTER SERGEANT.....	22	2,400	53	12	2,400	29	12	2,400	29
PLATOON SERGEANT/SERGEANT 1ST CLASS....	140	2,400	336	135	2,400	324	124	2,400	298
STAFF SERGEANT.....	584	2,100	1,226	1,292	2,100	2,713	1,297	2,100	2,724
SERGEANT.....	835	1,800	1,503	925	1,800	1,665	909	1,800	1,636
CORPORAL/SPECIALIST 4.....	1,025	1,500	1,538	888	1,800	1,598	888	1,800	1,598
PRIVATE, 1ST CLASS.....	193	1,320	255	55	1,800	99	55	1,800	99
PRIVATE (E2).....	11	1,320	15	3	1,800	5	3	1,800	5
PRIVATE (E1).....	5	1,320	7	2	1,800	4	2	1,800	4
SUBTOTAL.....	2,816		\$ 4,935	3,313		\$ 6,439	3,291		\$ 6,395
FLYING DUTY NON-CREW MEMBERS.....	638	\$1,320	\$ 842	884	\$1,800	\$ 1,591	884	\$1,800	\$ 1,591
TOTAL FLYING DUTY PAY.....	3,454		\$ 5,777	4,197		\$ 8,030	4,175		\$ 7,986
<b>OTHER HAZARDOUS DUTY</b>									
PARACHUTE JUMPING.....	32,709	1,320	43,176	30,719	1,737	53,359	30,719	1,800	55,294
EXPERIMENTAL STRESS.....	55	1,320	73	88	1,737	153	90	1,800	162
DEMOLITION OF EXPLOSIVES.....	1,353	1,320	1,786	940	1,737	1,633	937	1,800	1,687
TOXIC FUEL.....	3	1,320	4	3	1,737	5	3	1,800	5
TOXIC PESTICIDES EXPOSURE.....	2	1,320	3	4	1,737	7	4	1,800	7
HIGH ALTITUDE LOW OPENING JUMP PAY.....	889	1,980	1,760	889	2,606	2,317	889	2,700	2,400
CHEMICAL MUNITIONS.....	293	1,320	387	293	1,737	509	293	1,800	527
SUBTOTAL.....	35,304		47,189	32,936		57,983	32,935		60,082
TOTAL ENLISTED INCENTIVE PAY FOR HAZARDOUS DUTY PAY.....	38,758		52,966	37,133		66,013	37,110		68,068

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 16,233  
\$ 25,457  
\$ 45,477

**Project: Special Pay - Enlisted**

**Part I - Purpose and Scope**

The funds requested will provide for Special Pay to enlisted personnel while on sea duty, and while on duty outside the contiguous 48 states and the District of Columbia. Special Pay is paid at rates varying from \$8-22.50 per month. Rates depend on grade, at places designated by the secretary under the provisions of 37 U.S.C. 305; and for diving pay under the provisions of 37 U.S.C. 304 and 310, divers are assigned to a position which supports marine or special operations units. Duties of marine diving detachments include underwater construction (construction of piers and pipelines), harbor clearance, and ship salvage. Special forces (combat) diving operations include infiltration and exfiltration, combat surface swimming, search and recovery, target attack, harassing and interdiction, and reconnaissance operations. Also included are funds to support special payments for overseas extension incentives under provisions of 37 U.S.C. 314; and for Foreign Language Proficiency Pay (FLPP) authorized under the provisions of 37 U.S.C. 316, as provided by PL 99-661. FLPP is a monthly monetary incentive that is paid to all military personnel who qualify for and maintain the required proficiency in designated foreign languages. The monthly rate for FLPP may not exceed \$100.00 per individual. Hostile Fire Pay is paid to enlisted personnel on duty subject to hostile fire or imminent danger (37 U.S.C. 310). Hostile fire is paid at a rate of \$150 per month.

The funds requested also provide for Career Sea Pay and Career Sea Pay Premium under 37 U.S.C. 305, for Army members who are permanently or temporarily assigned to an army vessel in commission or in service and equipped with berthing and messing facilities which are regularly used for the intended purposes. In addition, the ship's mission is accomplished while underway, or the ship's mission is accomplished in port, but away from its home port for 30 consecutive days or more. A member who is in receipt of career sea pay and who has served over 36 consecutive months of sea duty is entitled to career sea pay monthly premium of \$100.00 for the 37th consecutive month and each subsequent month. Individuals who are affected by Career Sea Pay are generally assigned to one of four locations: Fort Eustis, Virginia; Hawaii; Panama; and the Azores.



## **Part II - Justification of Funds Requested**

The projected average number of payments is based on the total spaces where each type of pay is authorized to meet force structure requirements. The compensation for each type of Special Pay is developed by multiplying the projected number eligible for each type of pay by the statutory rate.

The decrease of -\$9.2 million between FY 1998 and FY 1999 is primarily due to the change in the number of soldiers projected to receive Hostile Fire Pay in FY 1999.

Detailed cost computations are provided by the following table:

ENLISTED SPECIAL PAY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
SEA DUTY PAY.....	298	\$ 1,617	\$ 482	396	\$ 1,538	\$ 609
						\$ 653
DUTY AT CERTAIN PLACES						
SERGEANT MAJOR.....	274	\$ 270	\$ 74	205	\$ 270	\$ 55
1ST SERGEANT/MASTER SERGEANT.....	1,018	270	275	802	270	217
PLATOON SERGEANT/SERGEANT 1ST CLASS.....	3,760	270	1,015	3,112	270	840
STAFF SERGEANT.....	6,300	240	1,512	4,850	240	1,164
SERGEANT.....	9,205	192	1,767	8,281	192	1,590
CORPORAL/SPECIALIST 4.....	12,411	156	1,936	13,412	156	2,092
PRIVATE, FIRST CLASS.....	6,988	108	755	5,716	108	617
PRIVATE (E2).....	4,298	96	413	2,438	96	234
PRIVATE (E1).....	520	96	50	378	96	36
TOTAL DUTY AT CERTAIN PLACES.....	44,774		\$ 7,797	39,194		\$ 6,845
SUBTOTAL.....	45,072		\$ 8,279	39,590		\$ 7,454
FOREIGN LANGUAGE PAY.....	4,063	\$ 960	\$ 3,900	4,181	\$ 960	\$ 4,014
DIVING DUTY PAY.....	291	2,069	602	333	2,072	690
HOSTILE FIRE PAY.....	17,607	1,800	31,693	6,831	1,800	12,296
OVERSEAS EXTENSION PAY.....	1,045	960	1,003	1,045	960	1,003
						\$ 6,518
						\$ 7,171
						\$ 4,014
						2,072
						1,800
						960
						\$ 16,233
TOTAL ENLISTED SPECIAL PAY.....	68,078		\$ 45,477	51,980		\$ 25,457
						\$ 7,171
						\$ 4,014
						2,072
						1,800
						960
						\$ 16,233

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 50,033  
\$ 51,623  
\$ 51,158

**Project: Special Duty Assignment Pay - Enlisted**

**Part I - Purpose and Scope**

The Special Duty Assignment Pay (SDAP) program is authorized under provision of 37 U.S.C. 307, as amended, by PL-98-525. SDAP is a monthly monetary incentive that is paid to enlisted members who qualify for and serve in designated special duty assignments. The funds are utilized for recruiters, guidance counselors, retention NCO's, drill sergeants, and specially designated personnel who have extremely demanding duties requiring extraordinary effort for satisfactory performance, and/or unusual degree of responsibilities.

**Part II - Justification and Funds Requested**

These funds are utilized to ensure readiness by compensating and influencing specially designated soldiers, recruiters, retention NCO's, and drill sergeants who perform demanding duties which require special training and extraordinary effort for satisfactory performance.

The -\$1.6 million decrease between FY 1998 and FY 1999 reflects a reduced number of personnel receiving payments in FY 1999.

Detailed cost computations are provided by the following table:

ENLISTED SPECIAL DUTY ASSIGNMENT PAY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SPECIAL DUTY ASSIGNMENT									
SD6 (\$375.00).....	7,057	\$ 4,500.00	\$ 31,757	6,600	\$ 4,500.00	\$ 29,700	6,112	\$ 4,500.00	\$ 27,504
SD5 (\$275.00).....	1,732	3,300.00	5,716	2,679	3,300.00	8,841	2,881	3,300.00	9,507
SD4 (\$220.00).....	896	2,640.00	2,365	390	2,640.00	1,030	281	2,640.00	742
SD3 (\$165.00).....	5,717	1,980.00	11,320	6,087	1,980.00	12,052	6,202	1,980.00	12,280
TOTAL ENLISTED	15,402		\$ 51,158	15,756		\$ 51,623	15,476		\$ 50,033
SPECIAL DUTY ASSIGNMENT PAY.....									

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATED FY 1999  
ESTIMATED FY 1998  
ACTUAL FY 1997

\$ 53,529  
\$ 50,650  
\$ 50,923

## **Project: Reenlistment Bonus - Enlisted**

### **Part I - Purpose and Scope**

The Selective Reenlistment Bonus Program (SRB) is authorized under the provisions of Title 37 U.S.C. 308. The law states that a member of a uniformed service who has completed at least twenty-one months of continuous active duty but not more than fourteen years of active duty, is qualified in a skill designated as critical, and reenlists for a period of at least three years may be paid a bonus. The bonus will not exceed six months of the base pay multiplied by the additional obligated service (not to exceed six years). For most Army personnel, the maximum bonus cannot exceed \$20,000. However, the maximum may be extended to \$45,000 for not more than 10 percent of bonus recipients.

The purpose of the SRB Program is to increase the number of reenlistments in critical skills characterized by current or projected retention levels insufficient to adequately man the career force. The SRB Program also works as a valuable tool in the force alignment process by helping to draw people from overage skills to shortage skills through the bonus extension and retraining program.

SRB payments are made using the installment method of payment. Fifty percent of the total bonus is paid at the time of reenlistment with the remaining bonus being paid in equal annual installments over the balance of the reenlistment contract period.

### **Part II - Justification of Funds Requested**

The Selective Reenlistment Bonus Program is a key component in MOS/grade cell force alignment initiatives. The focus of the SRB Program is to reenlist sufficient specialists and sergeants to overcome or prevent present and future sergeants and staff-sergeants manning shortfalls. These have a direct negative impact on the combat and operational readiness of Army units.

In addition to critically and moderately short MOS/grade cells, there are specific MOS categories that require exceptional management and the application of reenlistment bonuses. These skills include special operations MOS and skills required to meet various treaty commitments.

The Army has and will continue to focus management initiatives to balance overage and shortage skills through the Force Alignment Plan (FAP). For shortage skills, we continually evaluate the SRB Program and offer bonuses where appropriate. Other adjustments to align the force include: recruiting fully qualified prior service personnel, reclassification of soldiers into shortage skills, and increasing promotion opportunities to soldiers in shortage skills. In overage skills, the Army constrains promotion opportunity, constrains reclassification of soldiers into these skills, restricts fully qualified prior service personnel from enlisting in these skills, and does not permit retention beyond the Retention Control Point (RCP's). The Army will continue to focus and apply management initiatives to develop an optimal force structure.

The estimate increases from FY 1998 to FY 1999 by +\$2.9 million. The fluctuation of estimates between fiscal years reflect the changes in the number of personnel receiving anniversary payments. Shortages at specific grade/cell/MOS will continue despite the continued drawdown of the Army.

**Project: Reenlistment Bonus - Enlisted**

Furnished in accordance with Congressional direction, the following are the Army's most critically imbalanced skills as of Jan 1998 (restricted to MOS with authorizations in at least four grade cells):

Shortage MOS	
MOS	Title
98C	Signal Intelligence Analyst (Chinese/Korean)
97E	Interrogator (Chinese/Korean)
39B	Automatic Test Equipment Operator
98G	Voice Interceptor Persian/Vietnamese)
25R	Visual Information Equipment Operator
93C	Air Traffic Control
18E	Special Forces Communications Sergeant
57E	Laundry and Shower Specialist
63J	Quartermaster and Chemical Equipment Repairer
98J	Noncommunications Interpreter/Analyst

Overage MOS	
MOS	Title
62G	Quarrying Specialist
51R	Interior Electrician
62H	Concrete and Asphalt Equipment Operator
93F	Field Artillery Meteorological Crewmember
51K	Plumber
91C	Practical Nurse
12C	Bridge Crewmember
62N	Construction Equipment Supervisor
25M	Multimedia Illustrator
92M	Mortuary Affairs Specialist

Detailed cost computations are provided by the following table:

ENLISTED REENLISTMENT BONUS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

SELECTED REENLISTMENT BONUS	ACTUAL FY 1997			ESTIMATED FY 1998			ESTIMATED FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
INITIAL PAYMENTS.....	6,726	\$ 4,400	\$ 29,593	6,277	\$ 4,530	\$ 28,437	6,089	\$ 4,670	\$ 28,437
ANNIVERSARY PAYMENTS.....	16,145	1,321	21,330	17,296	1,284	22,213	18,033	1,391	25,092
TOTAL REENLISTMENT BONUS.....	22,871		\$ 50,923	23,573		\$ 50,650	24,122		\$ 53,529



ENLISTED REENLISTMENT BONUS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER
PRIOR							
OBLIGATIONS.....	16,145	21,330	10,637	12,603	5,227	6,439	1,815
							1,954
							688
							721
ANNIVERSARY							
PAYMENTS.....	6,726	29,593	6,658	9,610	6,591	9,418	5,293
							7,369
							1,466
							1,713
							1,197
							1,290
PRIOR YEAR (97)							
INITIAL &							
SUBSEQUENT							
ANNIVERSARY							
PAYMENTS.....	0	0	6,277	28,437	6,215	9,235	6,152
							9,050
							4,940
							7,081
							1,368
							1,647
							1,117
							1,240
CURRENT YEAR (98)							
INITIAL &							
SUBSEQUENT							
ANNIVERSARY							
PAYMENTS.....	0	0	0	0	6,089	28,437	6,028
							9,235
							5,968
							4,792
							7,081
							1,327
							1,647
BUDGET YEAR (99)							
INITIAL &							
SUBSEQUENT							
ANNIVERSARY							
PAYMENTS.....	0	0	0	0	0	0	5,955
							28,437
							5,896
							9,235
							5,836
							9,050
							4,687
							7,081
BUDGET YEAR (00)							
INITIAL &							
SUBSEQUENT							
INITIAL PAYMENTS....	6,726	29,593	6,277	28,437	6,089	28,437	5,955
							28,437
							5,475
							26,661
							5,590
							27,221
TOTAL							
ANNIVERSARY							
PAYMENTS.....	16,145	21,330	17,296	22,213	18,033	25,092	19,288
							27,608
							18,958
							27,800
							18,975
							28,303
							18,274
							27,676
SRB TOTAL.....	50,923	50,650	53,529	56,045	56,237	54,964	54,897

ESTIMATED FY 1999  
ESTIMATED FY 1998  
ACTUAL FY 1997

\$ 45,371  
\$ 48,965  
\$ 48,003

## **Project: Enlistment Bonus - Enlisted**

### **Part I - Purpose and Scope**

Enlistment Bonuses are used to attract higher quality high school diploma graduates into designated Army skills which are difficult to fill with qualified enlistees. The payment is authorized by 37 U.S.C. 308A, as amended by PL 101-189 allows for up to \$12,000 for a four year enlistment, of which the initial lump sum payment may not exceed \$7,000. The remaining amount is paid quarterly over the year following initial payment. The payment authorized by 37 U.S.C. 308F allows up to \$4,000 for a three year enlistee who scores 50 or above on the Armed Forces Qualification Test (AFQT). The Army pays soldiers after completion of initial entry skill training and after the soldier arrives at their first duty station.

New Payments - payments are made before 30 September for individuals who enter active duty and complete skill training during the same fiscal year.

Residual Payments - payments expected in current fiscal year are for individuals who entered the service in previous fiscal years. Since payments do not occur until completion of skill training and after arrival at first duty station, an average of four months elapses from the time the individual enters the service and the initial payment is made.

Incremental Payments - by law, only \$7,000 may be paid in lump sum. The Army has elected to establish \$5,000 as the maximum amount paid. Amounts above \$5,000 are paid in four equal payments commencing three months after the initial payment and continuing every three months for one year. These payments are contractual obligations.

### **Part II - Justification of Funds Requested**

The Enlistment Bonus Program is designed to expand penetration into the quality market and to distribute quality among the 250 plus initial entry military occupational specialties (MOS). Quality goals for army accessions are: at least 95 percent high school diploma graduates, 67 percent Test Score Category (TSC) Category I-III A, and less than 2 percent Category IV.

The program is tied to a level commensurate with programmed recruiting mission. These funding levels are critical to attaining army quality goals during a period of low positive propensity of the youth market to enlist. It is becoming increasingly difficult to recruit sufficient soldiers to sustain a quality force.

The estimate decreases by -\$3.6 million between FY98 and FY99. The change occurs primarily because the Enlistment Bonus assists recruiters in filling additional critical skills as a result of a larger recruiting mission.

Detailed cost computations are provided by the following table:

ENLISTMENT BONUS PROGRAM  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATED FY 1998			ESTIMATED FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
ENLISTED BONUS PROGRAM									
NEW PAYMENTS									
UP THRU \$2,000.....	1,845	\$ 1,879	\$ 3,467	2,045	\$ 1,830	\$ 3,742	1,900	\$ 1,830	\$ 3,477
UP THRU \$3,000.....	844	2,739	2,312	901	2,833	2,553	837	2,833	2,371
UP THRU \$4,000.....	760	3,952	3,004	771	3,906	3,012	716	3,906	2,797
UP THRU \$5,000.....	1,672	4,933	8,248	1,195	4,763	5,692	1,110	4,763	5,287
UP THRU \$6,000.....	389	5,906	2,297	397	5,901	2,343	369	5,901	2,177
UP THRU \$7,000.....	576	7,000	4,032	596	6,912	4,120	554	6,912	3,829
UP THRU \$12,000.....	1,036	7,000	7,252	1,271	7,000	8,897	1,180	7,000	8,260
TOTAL.....	7,122		\$ 30,612	7,176		\$ 30,359	6,666		\$ 28,198
RESIDUAL NEW PAYMENTS									
UP THRU \$2,000.....	1,281	\$ 1,879	\$ 2,407	956	\$ 1,830	\$ 1,749	883	\$ 1,830	\$ 1,616
UP THRU \$3,000.....	765	2,739	2,095	421	2,833	1,193	389	2,833	1,102
UP THRU \$4,000.....	704	3,952	2,782	361	3,906	1,410	333	3,906	1,301
UP THRU \$5,000.....	1,170	4,933	5,772	559	4,763	2,663	516	4,763	2,458
UP THRU \$6,000.....	0	0	0	186	5,901	1,098	171	5,901	1,009
UP THRU \$7,000.....	0	0	0	279	6,912	1,928	257	6,912	1,776
UP THRU \$12,000.....	0	0	0	594	7,000	4,158	549	7,000	3,843
TOTAL.....	3,920		\$ 13,056	3,356		\$ 14,199	3,098		\$ 13,105
ANNIVERSARY (INCREMENTAL) PAYMENTS.....	7,839	\$ 553	\$ 4,335	5,036	\$ 875	\$ 4,407	4,649	\$ 875	\$ 4,068
TOTAL ENLISTMENT BONUS PROGRAM.....	18,881		\$ 48,003	15,568		\$ 48,965	14,413		\$ 45,371

ENLISTMENT BONUS INCREMENT PAYMENTS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997 # PAYMENTS	AMOUNT \$	ESTIMATED FY 1998 # PAYMENTS	AMOUNT \$	ESTIMATED FY 1999 # PAYMENTS	AMOUNT \$
NEW OBLIGATIONS.....	1,960	1,084	1,259	1,102	1,162	1,017
PRIOR OBLIGATIONS.....	5,879	3,251	3,777	3,305	3,487	3,051
TOTAL INCREMENT PAYMENTS.....	7,839	4,335	5,036	4,407	4,649	4,068

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 0  
\$ 241,434  
\$ 966,396

**Project: Basic Allowance for Quarters - Enlisted**

**Part I - Purpose and Scope**

An Army member who is entitled to basic pay is entitled to a basic allowance for quarters (BAQ). Monthly rates are assigned according to the pay grade. However, a member who is assigned to quarters in the U. S. or to a housing facility under the jurisdiction of a uniformed service appropriate to the member's rank and adequate for member and the member's dependents, if with dependents, is not entitled to a BAQ. The authorization for payment, 37 U.S.C. 403 states except that a member assigned to such quarters may not be denied BAQ if, because of orders of competent authority, the member's dependents are prevented from occupying those quarters. There are four types of BAQ payments: (1) to members with dependents, not occupying government quarters; (2) to members without dependents, not occupying government quarters; (3) partial payment to members without dependents assigned to single-type quarters; and (4) to members with dependents occupying inadequate housing. Under the provisions of PL 97-214 the rental charge for inadequate quarters is the fair rental value for such quarters, not to exceed 75 percent of the occupant's BAQ at the with dependent rate.

Congress approved in the FY 1998 National Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA).

**Part II - Justification of Funds Requested**

The FY 1998 BAQ amounts reflect payments for 3 months (October - December 1997). Effective 1 January 1998, the payments are included under BAH.

Detailed cost computations are provided by the following table:

ENLISTED BASIC ALLOWANCE FOR QUARTERS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ WITH DEPENDENTS						
SERGEANT MAJOR.....	1,827	\$ 7,829	\$ 14,304	461	\$ 8,083	\$ 3,726
1ST SGT/MASTER SGT...	7,195	7,217	51,926	1,752	7,450	13,052
PLTN SGT/SGT FLC...	23,564	6,701	157,902	5,545	6,917	38,355
STAFF SERGEANT.....	32,273	6,192	199,834	7,506	6,392	47,978
SERGEANT.....	32,644	5,568	181,762	7,795	5,749	44,813
CORPORAL/SPC4.....	32,207	4,842	155,946	8,409	4,999	42,037
PRIVATE, 1ST CL.....	11,780	4,507	53,092	2,902	4,653	13,503
PRIVATE (E2).....	5,817	4,290	24,955	1,342	4,429	5,944
PRIVATE (E1).....	3,497	4,290	15,002	826	4,429	3,658
TOTAL BAQ	150,804		\$ 854,723	36,538		\$ 213,066
WITH DEPENDENTS.....						\$ 0
BAQ WITHOUT DEPENDENTS						
SERGEANT MAJOR.....	203	\$ 5,939	\$ 1,206	52	\$ 6,131	\$ 319
1ST SGT/MASTER SGT...	868	5,451	4,731	215	5,627	1,210
PLTN SGT/SGT FLC...	3,839	4,657	17,878	918	4,808	4,414
STAFF SERGEANT.....	5,060	4,216	21,333	1,192	4,352	5,188
SERGEANT.....	5,556	3,888	21,602	1,344	4,014	5,395
CORPORAL/SPC4.....	7,836	3,382	26,501	2,070	3,492	7,228
PRIVATE, 1ST CL.....	1,526	3,618	5,521	398	3,426	1,364
PRIVATE (E2).....	324	2,696	874	78	2,782	217
PRIVATE (E1).....	55	2,403	132	12	2,481	30
TOTAL BAQ	25,267		\$ 99,778	6,279		\$ 25,365
WITHOUT DEPENDENTS.....						\$ 0

ENLISTED BASIC ALLOWANCE FOR QUARTERS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAQ PARTIAL ALLOWANCE BACHELOR						
SERGEANT MAJOR.....	17	\$ 223	\$ 4	4	\$ 223	\$ 1
1ST SGT/MASTER SGT...	55	184	10	13	184	2
PLTN SGT/SGT FLC...	360	144	52	84	144	12
STAFF SERGEANT.....	2,334	119	278	552	119	66
SERGEANT.....	9,825	104	1,022	2,379	104	247
CORPORAL/SPC4.....	36,798	97	3,569	9,709	97	942
PRIVATE, 1ST CL.....	32,456	94	3,051	8,468	94	796
PRIVATE (E2).....	24,096	86	2,072	5,646	86	486
PRIVATE (E1).....	16,606	83	1,378	3,979	83	330
TOTAL BAQ PARTIAL ALLOWANCE BACHELOR....	122,547		\$ 11,436	30,834		\$ 2,882
BAQ INADEQUATE FAMILY HOUSING						
SERGEANT MAJOR.....	0	\$ 1,957	\$ 0	0	\$ 2,021	\$ 0
1ST SGT/MASTER SGT...	2	1,804	4	1	1,863	2
PLTN SGT/SGT FLC...	16	1,675	27	4	1,729	7
STAFF SERGEANT.....	31	1,548	48	7	1,598	11
SERGEANT.....	55	1,392	77	13	1,437	19
CORPORAL/SPC4.....	163	1,211	197	43	1,250	54
PRIVATE, 1ST CL.....	79	1,127	89	21	1,163	24
PRIVATE (E2).....	14	1,073	15	3	1,107	3
PRIVATE (E1).....	2	1,073	2	1	1,107	1
TOTAL BAQ INADEQUATE FAMILY HOUSING.....	362		\$ 459	93		\$ 121
TOTAL ENLISTED BASIC ALLOWANCE FOR QUARTERS.....	298,980		\$ 966,396	73,744		\$ 241,434



(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 0  
\$ 42,299  
\$ 177,009

**Project: Variable Housing Allowance - Enlisted**

**Part I - Purpose and Scope**

The funds required are to provide for payment of a Variable Housing Allowance authorized under the provisions of PL 96-343, dated 8 September 80. Under this law a member entitled to a basic allowance for quarters is entitled to a Variable Housing Allowance whenever assigned to duty in an area of the United States, (including Alaska and Hawaii for those soldiers assigned to these two states on or after 9 November 85), which has been designated as a high cost area. This payment is also made to those members serving unaccompanied tours of duty outside the United States when the member's dependents reside in an area where this allowance is authorized.

Congress approved in the FY 1998 National Defense Authorization Act the payment of basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowance for quarters (BAQ) and variable housing allowance (VHA).

**Part II - Justification of Funds Requested**

The FY 1998 VHA amount reflect payments for 3 months (October - December 1997). Effective 1 January 1998, the payments are included under BAH.

Detailed cost computations are provided by the following table:

ENLISTED VARIABLE HOUSING ALLOWANCE  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SERGEANT MAJOR.....	1,793	\$ 1,782.92	\$ 3,197	440	\$ 1,811.19	\$ 797	0	\$ 0.00	\$ 0
1ST SGT/MASTER SGT.....	6,893	1,793.62	12,363	1,634	1,822.06	2,977	0	0.00	0
PLATOON SGT/SGT 1ST CLASS..	23,062	1,647.23	37,988	5,284	1,673.35	8,842	0	0.00	0
STAFF SERGEANT.....	30,633	1,357.88	41,596	6,935	1,379.41	9,566	0	0.00	0
SERGEANT.....	30,003	1,200.93	36,032	6,977	1,219.97	8,512	0	0.00	0
CORPORAL/SPECIALIST 4.....	29,284	1,074.77	31,474	7,418	1,091.81	8,099	0	0.00	0
PRIVATE, 1ST CLASS.....	10,330	801.42	8,279	2,586	814.13	2,105	0	0.00	0
PRIVATE (E2).....	4,087	945.86	3,866	919	960.86	883	0	0.00	0
PRIVATE (E1).....	2,479	892.96	2,214	571	907.12	518	0	0.00	0
TOTAL ENLISTED	138,564		\$ 177,009	32,764		\$ 42,299	0		\$ 0
VARIABLE HOUSING ALLOWANCE.									

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 1,171,828  
\$ 860,883  
\$ 0

**Project: Basic Allowance for Housing - Enlisted**

**Part I - Purpose and Scope**

Congress approved in the FY 1998 National Defense Authorization Act the payment of a basic allowance for housing (BAH) to service members. The BAH combines housing payments formerly provided by basic allowances for quarters (BAQ) and variable housing allowance (VHA). Payment to service members is authorized by revisions to 37 U.S.C. 403.

**Part II - Justification of Funds Requested**

The FY 1998 amounts for BAH reflects the 1 January 1998 start date for BAH and includes a 2.5 percent increase which is the composite of the 2.8 percent applicable to BAQ and the 1.4 percent rate applicable to VHA. The FY 1999 amounts reflect a full year's cost and include a 2.8 percent increase. This increase is the estimated housing rate increase that will result from the contractor generated surveys of actual housing costs which will be completed during 1998.

Detailed cost computations are provided by the following table:

ENLISTED BASIC ALLOWANCE FOR HOUSING  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
BAH WITH DEPENDENTS						
SERGEANT MAJOR.....	0	\$ 0	\$ 0	1,387	\$ 9,665	\$ 13,405
1ST SGT/MASTER SGT...	0	0	0	5,280	9,005	47,546
PLTN SGT/SGT FLC....	0	0	0	16,715	8,352	139,604
STAFF SERGEANT.....	0	0	0	22,624	7,560	171,037
SERGEANT.....	0	0	0	23,504	6,699	157,453
CORPORAL/SPC4.....	0	0	0	25,337	5,821	147,487
PRIVATE, 1ST CL.....	0	0	0	9,132	5,292	48,327
PRIVATE (E2).....	0	0	0	4,048	5,047	20,430
PRIVATE (E1).....	0	0	0	2,488	5,056	12,579
TOTAL BAH	0		\$ 0	110,515		\$ 757,868
WITH DEPENDENTS.....						\$ 1,032,376
BAH WITHOUT DEPENDENTS						
SERGEANT MAJOR.....	0	\$ 0	\$ 0	155	\$ 7,885	\$ 1,222
1ST SGT/MASTER SGT...	0	0	0	640	7,212	4,616
PLTN SGT/SGT FLC....	0	0	0	2,736	6,053	16,561
STAFF SERGEANT.....	0	0	0	3,561	5,411	19,269
SERGEANT.....	0	0	0	4,128	5,020	20,723
CORPORAL/SPC4.....	0	0	0	6,164	4,194	25,852
PRIVATE, 1ST CL.....	0	0	0	1,187	4,009	4,759
PRIVATE (E2).....	0	0	0	229	3,814	873
PRIVATE (E1).....	0	0	0	37	3,557	132
TOTAL BAH	0		\$ 0	18,837		\$ 94,007
WITHOUT DEPENDENTS....						\$ 127,517

ENLISTED BASIC ALLOWANCE FOR HOUSING  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
<b>BAH PARTIAL ALLOWANCE</b>						
BACHELOR	0	\$ 0	\$ 0	13	\$ 223	\$ 4
SERGEANT MAJOR.....	0	0	0	40	184	10
1ST SGT/MASTER SGT..	0	0	0	256	144	48
PLTN SGT/SGT FLC....	0	0	0	1,651	119	247
STAFF SERGEANT.....	0	0	0	7,145	104	958
SERGEANT.....	0	0	0	29,139	97	3,937
CORPORAL/SPC4.....	0	0	0	25,400	94	3,054
PRIVATE, 1ST CL.....	0	0	0	16,935	86	1,878
PRIVATE (E2).....	0	0	0	11,940	83	1,301
PRIVATE (E1).....	0	0	0			
TOTAL BAH PARTIAL ALLOWANCE BACHELOR....	0	\$ 0	\$ 0	92,519	\$ 8,647	\$ 11,437
<b>BAH INADEQUATE FAMILY HOUSING</b>						
SERGEANT MAJOR.....	0	\$ 0	\$ 0	0	\$ 2,416	\$ 0
1ST SGT/MASTER SGT..	0	0	0	1	2,251	5
PLTN SGT/SGT FLC....	0	0	0	10	2,088	28
STAFF SERGEANT.....	0	0	0	19	1,890	46
SERGEANT.....	0	0	0	34	1,675	76
CORPORAL/SPC4.....	0	0	0	111	1,455	232
PRIVATE, 1ST CL.....	0	0	0	53	1,323	94
PRIVATE (E2).....	0	0	0	8	1,262	14
PRIVATE (E1).....	0	0	0	2	1,264	3
TOTAL BAH INADEQUATE FAMILY HOUSING.....	0	\$ 0	\$ 0	238	\$ 361	\$ 498
<b>TOTAL ENLISTED BASIC ALLOWANCE FOR HOUSING.....</b>						
	0	\$ 0	\$ 0	222,109	\$ 860,883	\$ 1,171,828

ESTIMATE FY 1999	\$ 271,682
ESTIMATE FY 1998	\$ 268,300
ACTUAL FY 1997	\$ 353,948

**Project: Station Allowance Overseas - Enlisted**

**Part I - Purpose and Scope**

The funds requested will provide payment of a per diem allowance to enlisted personnel on duty outside the United States considering all elements of the cost of living, including quarters, subsistence and other necessary incidental expenses as prescribed by joint travel regulations and authorized under provisions of 37 U.S.C. 405.

**Part II - Justification of Funds Requested**

Overseas Station Allowance payments are determined by multiplying the projected number of personnel eligible for each type of allowance by the estimated average rate applicable.

Fluctuations in currency exchange rates have a direct impact on Overseas Station Allowance. This is especially true in the case of Germany. The FY99 estimates for overseas station allowances are based on rates of exchange of 1.79 DM/\$1 US. Beginning in FY 1997, MPA rejoins the Foreign Currency Fluctuation, Defense Account.

From FY 1998 to FY99, the requirement for overseas station allowance decreases by a net -\$3.4 million. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: -\$1.3 million
- (2) The 3.1 percent, 1 Jan 99 pay raise: +\$4.2 million.
- (3) Cost growth for TLA: .4 million.
- (4) Rate change and housing changes overseas: -\$2.5 million.

Detailed cost computations are provided by the following table:

ENLISTED OVERSEAS STATION ALLOWANCE  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
COST OF LIVING									
SERGEANT MAJOR.....	754	\$ 5,168.40	\$ 3,897	748	\$ 3,857.91	\$ 2,887	746	\$ 3,975.23	\$ 2,964
1ST SERGEANT/MASTER SERGEANT.....	2,500	4,673.76	11,684	2,481	3,323.66	8,247	2,473	3,424.74	8,468
PLATOON SERGEANT/SERGEANT 1ST CLASS....	8,980	4,344.20	39,011	9,226	3,037.20	28,020	9,193	3,129.57	28,770
STAFF SERGEANT.....	14,838	3,824.58	56,749	15,032	2,708.49	40,714	14,978	2,790.86	41,803
SERGEANT.....	23,408	3,279.48	76,766	23,305	2,308.14	53,791	23,222	2,378.34	55,229
CORPORAL/SPECIALIST 4.....	29,368	2,457.59	72,175	29,791	1,779.63	53,017	29,685	1,833.76	54,435
PRIVATE, FIRST CLASS.....	14,400	1,440.03	20,736	13,034	1,165.18	15,187	12,988	1,200.61	15,593
PRIVATE (E2).....	8,067	992.53	8,007	9,424	884.43	8,335	9,391	911.34	8,558
PRIVATE (E1).....	1,145	979.22	1,121	1,498	696.81	1,044	1,492	718.00	1,072
SUBTOTAL.....	103,460		\$ 290,146	104,539		\$ 211,242	104,167		\$ 216,892
HOUSING ALLOWANCE									
SERGEANT MAJOR.....	90	\$ 6,484.00	\$ 584	89	\$ 5,834.84	\$ 521	92	\$ 4,161.93	\$ 383
1ST SERGEANT/MASTER SERGEANT.....	376	7,360.00	2,767	373	5,348.28	1,996	385	4,989.24	1,918
PLATOON SERGEANT/SERGEANT 1ST CLASS....	1,320	7,467.00	9,856	1,310	5,758.48	7,545	1,350	5,117.19	6,908
STAFF SERGEANT.....	1,786	7,724.00	13,795	1,773	5,602.82	9,932	1,826	5,243.19	9,577
SERGEANT.....	1,529	6,081.00	9,298	1,518	4,997.80	7,585	1,564	4,336.77	6,781
CORPORAL/SPECIALIST 4.....	848	4,304.00	3,650	842	4,728.57	3,980	867	3,661.84	3,176
PRIVATE, FIRST CLASS.....	78	3,271.00	255	77	4,695.28	364	80	3,696.02	295
PRIVATE (E2).....	14	4,524.00	63	14	5,196.53	72	14	6,644.83	95
PRIVATE (E1).....	3	5,928.00	18	3	3,187.62	9	3	2,350.06	7
SUBTOTAL.....	6,044		\$ 40,286	5,999		\$ 32,004	6,181		\$ 29,140
TEMPORARY LODGING ALLOWANCE.....	45,818	\$ 513.25	\$ 23,516	48,141	\$ 520.43	\$ 25,054	48,558	\$ 528.23	\$ 25,650
TOTAL ENLISTED STATION ALLOWANCE OVERSEAS.....	155,322		\$ 353,948	158,679		\$ 268,300	158,906		\$ 271,682

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 968  
\$ 968  
\$ 1,088

**Project: CONUS Cost of Living Allowance - Enlisted**

**Part I - Purpose and Scope**

The funds requested will provide payment of a cost of living allowance (COLA) to soldiers who are assigned to high cost areas in the continental United States (CONUS). A high cost area is defined as a locality where the cost of living exceeds the average cost of living in CONUS by an established threshold percentage during a base period. The threshold percentage is established by the Secretary of Defense but cannot be less than eight percent. The current established threshold is 108 percent of the national cost of living average. The amount of COLA payable is the product of spendable income (based on regular military compensation level) multiplied by the difference between the COLA index for the individual's high cost area and the threshold percentage. The allowance was authorized by the FY 1995 DoD Authorization Act.

**Part II - Justification of Funds Requested**

CONUS COLA payments are determined by multiplying the projected number of personnel eligible by an estimated rate.

Detailed cost computations are provided by the following table:



ENLISTED CONUS COST OF LIVING ALLOWANCE  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
CONUS COLA.....	1,672	650.64	1,488	650.64	1,488	650.64
		\$ 1,088		\$ 968		\$ 968

ESTIMATE FY 1999	\$ 213,254
ESTIMATE FY 1998	\$ 212,193
ACTUAL FY 1997	\$ 199,153

# **Project: Clothing Allowances - Enlisted**

## **Part I - Purpose and Scope**

The funds requested will provide for payment to enlisted personnel for prescribed clothing authorized by the Secretary of Defense under the provisions of 37 U.S.C. 418 including:

- (1) Initial Clothing Allowance when authorized by competent orders.
- (2) For cash payment of the Clothing Basic Maintenance Allowance authorized from the sixth month of entrance on duty through the thirty-sixth month and or cash payment of the Standard Maintenance Allowance authorized from the thirty-seventh month through the completion of the enlistment.
- (3) For cost of Issue-In-Kind in areas where clothing maintenance allowance is not authorized.
- (4) Supplementary Clothing Allowances for personnel assigned to special organizations or details where the nature of the duties to be performed require additional items of individual clothing not required for the majority of enlisted personnel.

## **Part II - Justification of Funds Requested**

The estimated \$1.1 million increase between FY 1998 and FY 1999 reflects reduced numbers receiving allowances offset by increased clothing bag rates and other associated rates.

Detailed cost computations are provided by the following table:

ENLISTED CLOTHING ALLOWANCES  
RATE SUMMARY REVIEW

	FY 1998 COLUMN OF FY 98/99 PRES BUDGET	FY 1998 COLUMN OF FY 1998 PB99 BUDGET	FY 1999 COLUMN OF FY 1998 PB99 BUDGET
INITIAL ISSUE			
ENLISTED MEN.....	973.00	1,059.85	1,082.15
ENLISTED WOMEN.....	1,202.00	1,323.95	1,351.81
CLOTHING MAINTENANCE ALLOWANCE			
ENLISTED MEN - BASIC.....	234.00	252.18	257.50
- STANDARD.....	305.00	360.25	367.85
ENLISTED WOMEN - BASIC.....	334.00	318.23	324.95
- STANDARD.....	436.00	454.62	464.21

# ENLISTED CLOTHING ALLOWANCES

	FY 1997		FY 1998		FY 1999	
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING - INITIAL ALLOWANCE						
INITIAL ALLOWANCE						
MILITARY CLOTHING						
CIVILIAN LIFE, MEN.....	59,644	\$ 951.70	\$ 56,763	53,626	\$ 1,059.85	\$ 56,836
CIVILIAN LIFE, WOMEN.....	15,129	1,175.84	17,789	14,233	1,323.95	18,844
ARMY RESERVE W/PARTIAL						
CLOTHING ALLOWANCE.....	75	276.60	21	75	293.00	22
NATIONAL GUARD WITH						
PARTIAL CLOTHING						
ALLOWANCE.....	65	215.70	14	65	225.85	15
LESS SAVINGS ON DEFERRED						
CLOTHING ISSUE.....			-1,531			-1,542
ADVANCE FUNDING FOR NEW						
CLOTHING ITEMS.....			1,700			1,700
LIQUIDATION OF PRIOR						
YEAR ADVANCES.....			0			0
TOTAL			74,756			78,273
MILITARY CLOTHING.....						
CIVILIAN CLOTHING						
WINTER AND SUMMER.....	1,497	1,244.00	1,862	1,497	1,297.00	1,942
WINTER OR SUMMER.....	76	804.00	61	76	838.00	64
TEMPORARY DUTY.....	162	459.00	74	162	479.00	78
SPEC CONTINUING -						
DUAL SEASON.....	209	622.00	130	209	648.00	135
SPEC CONTINUING -						
SINGLE SEASON.....	35	402.00	14	35	420.00	15
TOTAL			2,141			2,234
CIVILIAN CLOTHING.....						
TOTAL INITIAL ALLOWANCE.....			76,897			80,507

# ENLISTED CLOTHING ALLOWANCES

	FY 1997			FY 1998			FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
CLOTHING -									
MAINTENANCE ALLOWANCE									
BASIC MAINTENANCE									
( PERSONNEL WITH 7-36									
MONTHS SERVICE )									
MALE.....	102,166	228.89	23,385	118,484	252.18	29,879	118,186	257.50	30,433
FEMALE.....	11,474	298.52	3,425	13,849	318.23	4,407	15,371	324.95	4,995
TOTAL.....			26,810			34,286			35,428
STANDARD MAINTENANCE									
( PERSONNEL WITH 37 MONTHS									
OR MORE OF SERVICE )									
MALE.....	216,296	326.99	70,727	201,172	360.25	72,472	191,893	367.85	70,588
FEMALE.....	43,570	426.45	18,580	44,988	454.62	20,452	42,528	464.21	19,742
TOTAL.....			89,307			92,924			90,330
TOTAL			116,117			127,210			125,758
MAINTENANCE ALLOWANCES.....									
SUPPLEMENTARY ALLOWANCES.....			1,459			1,884			1,912
OTHER									
ISS. - IN-KIND-KATUSA.....	5,200	421.66	2,193	5,200	554.93	2,886	5,200	565.24	2,939
REPLACEMENT DURING									
FIRST SIX MONTHS.....	74,773	14.59	1,091	67,859	15.52	1,053	68,400	15.86	1,085
CHARGE SALES.....			1,396			1,053			1,053
TOTAL.....			4,680			4,992			5,077
TOTAL			199,153			212,193			213,254
CLOTHING ALLOWANCES.....									
LESS REIMBURSABLE									
OBLIGATIONS.....			1,396			1,053			1,053
TOTAL DIRECT ENLISTED									
CLOTHING OBLIGATIONS.....			197,757			211,140			212,201

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 27,897  
\$ 27,212  
\$ 28,981

## **Project: Family Separation Allowances - Enlisted**

### **Part I - Purpose and Scope**

The funds requested are to provide for family separation allowance payments to enlisted personnel with dependents on duty outside the United States or in Alaska for added separation expenses under two circumstances:

(1) Travel of dependents to overseas duty station is not authorized and the member maintains two homes, one in CONUS for the member's family and one overseas for the member. Payment is made at the monthly quarters allowance rate authorized for a member of the same grade without dependents.

(2) When a member with dependents makes a permanent change of station or is on temporary duty travel, or on board ship for thirty days or more either in CONUS or overseas and the travel of dependents to the member's duty station is not authorized and dependents do not reside at or near duty station. The payment is \$100 per month (37 U.S.C. 427).

### **Part II - Justification of Funds Requested**

The estimated number of payments are actual performance and programmed requirements for overseas stationing. Allowances for family separation payments are determined by multiplying the estimated number of personnel for each type of family separation allowance by the statutory rate applicable.

Detailed cost computations are provided by the following table:

ENLISTED FAMILY SEPARATION PAY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

(AMOUNTS IN THOUSANDS OF DOLLARS)

[illegible]

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 325,993  
\$ 336,760  
\$ 291,718

**Project: Separation Payments - Enlisted**

**Part I - Purpose and Scope**

Accrued Leave Payments - members are authorized 30 days of ordinary leave annually. They may accumulate a maximum of no more than 60 days unused leave at the beginning of any fiscal year. Upon retirement or separation, members are paid for unused accrued leave at the rate of basic pay to which entitled at time of release. Effective 10 February 76, a member cannot be paid for more than 60 days of accrued leave during his military career. This limitation does not include payments for accrued leave made before that date.

Severance Pay - Disability - Disability Severance Pay is authorized to members on active duty who are discharged because of physical disability and who have less than 20 years of service and less than 30 percent disability.

Severance Pay - Non Disability - commencing in FY 1991 non disability severance pay is authorized to members on active duty who are involuntarily separated from service, are not eligible for retirement pay, and meet minimum time-in-service requirements.

The FY 1992 National Defense Authorization Act approved two voluntary separation pay programs to employ during the force drawdown. The programs apply to both officers and enlisted soldiers who have more than six and less than 20 years of service. The first, Voluntary Separation Incentive (VSI), is an annuity that makes annual payments for twice the number of years served for soldiers who voluntarily leave active duty. The second program, special separation benefits (SSB), provides a lump of one and a half times involuntary separation pay (50 percent more) for soldiers who voluntarily leave active duty. VSI and SSB will be used to reduce involuntary separations. They will not be offered to all soldiers. The programs will be offered through a differential policy targeting groups facing involuntary separations and soldiers serving in overage specialties to aid in reducing involuntary separations and facilitate force shaping requirements during the drawdown. Soldiers will be given the their choice between the two incentives. The legislation terminates VSI/SSB at the end of FY 1999.

The FY 1993 National Defense Authorization Act approved an active duty early retirement program for use during the force drawdown. The early retirement program is necessary to shape the 15-20 year segment of the force. It will assist the services in achieving their drawdown goals of maintaining readiness and treating people fairly. The criteria for early retirement will include such factors as grade, years of service, and skill, with a focus on the population where the inventory exceeds requirements. Soldiers approved for early retirement will receive the same benefits as individuals with 20 or more years of service. However, their retired pay will be reduced by one percent for each year that they are short of 20 years of active duty.



The early retirement amount is the product of 2.5 percent times of years of service times basic pay times reduction factor. The authority to use the early retirement benefit terminates on 1 October 99.

## **Part II - Justification of Funds Requested**

Severance payments are determined by multiplying the projected number eligible for each type of payment by the estimated average payment applicable. Accumulated leave payments are made based upon leave accrued as of 1 September 76. For leave accumulated prior to 1 September 76, and retained throughout the career, payments include basic pay, \$1.25 per day quarters allowance to members in pay grade E-5 to E-9 with dependents, and 70 cents per day to all members for subsistence. For leave accumulated after 1 September 76, to include lowering of leave balances prior to 1 September 76, the rate payable is basic pay only. Leave payments will not exceed a career total of 60 days. Severance pay for disability is computed at two months basic pay of grade held at time of discharge multiplied by the number of years active service, but not more than 12. The SSB amount is from the annual base pay times 15 percent times years of service. The VSI (annuity) is a product of annual base pay times 2.5 percent times years of service and is paid for twice the number of years served, without any cost of living adjustments. Donations are computed by multiplying the programmed number of releases from confinement and the number discharged for fraudulent enlistments by \$25.00. The National Defense Authorization Act for FY 1992 and FY 1993 required the establishment of a VSI Fund effective 1 January 93 from which VSI payments will be made. The act further required the board of actuaries to determine: (1) the amount necessary to liquidate the original unfunded liability, i.e., those personnel accepting VSI benefits prior to 1 January 93 and (2) the total present value costs necessary to fund those members accepting VSI benefits after 1 January 93.

The requirement for separation pay decreases by a net -\$10.8 million between FY 1998 and FY 1999. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: +\$3.4 million.
- (2) The 3.1 percent, 1 Jan 99 pay raise: +\$5.6 million.
- (3) Decrease primarily due to reduced numbers receiving early retirement payments:  
-\$20.8 million.
- (4) Increased need for transfers into the VSI Trust Fund: +\$1 million.

Detailed cost computations are provided by the following table:

ENLISTED SEPARATION PAYMENTS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999					
	NUMBER	DAYS	RATE	AMOUNT	NUMBER	DAYS	RATE	AMOUNT	NUMBER	DAYS	RATE	AMOUNT
LUMP SUM TERMINAL LEAVE PAYMENTS												
SERGEANT MAJOR.....	576	19.0	\$ 2,080	\$ 1,198	479	19.0	\$ 2,140	\$ 1,025	468	19.0	\$ 2,204	\$ 1,032
1ST SERGEANT/MASTER SERGEANT.....	2,121	19.0	1,673	3,548	1,783	19.0	1,721	3,068	1,748	19.0	1,773	3,099
PLATOON SERGEANT/SERGEANT 1ST CLASS....	5,537	23.0	1,706	9,446	5,693	23.0	1,755	9,991	4,944	23.0	1,808	8,939
STAFF SERGEANT.....	4,937	26.0	1,613	7,963	5,371	26.0	1,659	8,912	5,118	26.0	1,709	8,749
SERGEANT.....	13,875	21.0	1,076	14,930	12,089	21.0	1,107	13,381	13,039	21.0	1,140	14,869
CORPORAL/SPECIALIST 4.....	34,592	15.0	631	21,828	28,012	15.0	647	18,137	31,307	15.0	667	20,884
PRIVATE, FIRST CLASS.....	5,344	19.0	668	3,570	4,884	19.0	687	3,356	4,663	19.0	708	3,301
PRIVATE (E2).....	3,673	16.0	537	1,972	3,357	16.0	552	1,854	3,205	16.0	569	1,824
PRIVATE (E1).....	2,610	16.0	465	1,214	2,385	16.0	478	1,141	2,277	16.0	493	1,122
SUBTOTAL.....	73,265			\$ 65,669	64,053			\$ 60,865	66,769			\$ 63,819
SEVERANCE PAY (DISABILITY).....	3,575		\$ 16,652	\$ 59,531	3,688		\$ 17,129	\$ 63,172	3,724		\$ 17,650	\$ 65,729
AUTHORIZED DONATIONS.....	152		25	4	152		25	4	152		25	4
INVOLUNTARY HALF PAY (5%).....	2,067		8,869	18,332	3,499		9,123	31,921	3,536		9,400	33,238
INVOLUNTARY FULL PAY (10%).....	4,830		17,245	83,293	3,299		17,739	58,521	3,338		18,278	61,012
VOLUNTARY SPECIAL SEPARATION BENEFIT (15%).....	0		36,077	0	1,504		36,565	54,994	1,504		37,644	56,616
15 YEAR RETIREMENT.....	1,152		32,564	37,514	1,500		33,547	50,321	800		34,542	27,634
SEVERANCE PAY (NON-DISABILITY).....	8,049			\$ 139,139	9,802			\$ 195,757	9,178			\$ 178,500
VOLUNTARY SEPARATION INCENTIVE (DIRECT MILITARY PAYMENTS) 1).....	0			\$ 27,375	96			\$ 16,962	96			\$ 17,941
THRU DECEMBER 31, 1992.....	0			9,375	0			9,375	0			3,375
JANUARY 1, 1993 AND AFTER.....	0			18,000	96			7,587	96			14,566
TOTAL ENLISTED SEPARATION PAYMENTS.....	85,041			\$ 291,718	77,791			\$ 336,760	79,919			\$ 325,993

1) VSI recipients after 31 Dec 92 - Payments are made from the Military Personnel, Army Appropriation to the VSI Trust Fund.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999 \$ 635,065  
ESTIMATE FY 1998 \$ 631,623  
ACTUAL FY 1997 \$ 630,743

# **Project: Social Security Tax - Employer's Obligation - Enlisted**

## **Part I - Purpose and Scope**

The funds requested provide for the employer's tax to the Social Security Administration as required by the Federal Insurance Contribution Act (FICA).

## **Part II - Justification of Funds Requested**

The FICA tax is developed by multiplying the total earnings for FICA tax purposes by the applicable percentage. The Old Age, Survivor, and Disability Insurance (OASDI) rate is 6.2 percent and the Hospital Insurance (HI) is 1.45 percent. The maximum amount of earnings per individual on which tax is payable and the percent payable, for the Old Age, Survivors, and Disability (OASDI) and Medicare programs are:

Calendar year	OASDI Base	Medicare base
1997	\$65,400	No upper limit
1998	\$68,100	No upper limit
1999	\$71,100	No upper limit

The request reflects the impact of PL 99-576, which provides for removal from taxable income of the \$1,200 member contribution required for participation in the basic benefit program of the new G.I. Bill effective 1 January 86.

The social security tax requirement increases by a net +\$3.6 million between FY 1998 and FY 1999. This change is based on--

- (1) Annualization of the 2.8 percent, 1 Jan 98 pay raise: +\$3.7 million.
- (2) The 3.1 percent, 1 Jan 99 pay raise: +\$12.9 million.
- (3) Force manning changes: -\$8.7 million.
- (4) Wage credit changes: -\$5.1 million.
- (5) G.I. Bill offset: +\$.8 million

Detailed cost computations are provided by the following table:

ENLISTED SOCIAL SECURITY TAX  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
SOC. SEC TAX-EMPLOYER'S CONTRIBUTION OF TAX ON BASIC PAY.....	406,734	\$ 1,345	\$ 547,135	403,913	\$ 1,370	\$ 553,258	397,951	\$ 1,412	\$ 561,812
WAGE CREDITS.....			\$ 85,348			\$ 80,105			\$ 74,993
LESS NON-JUDICIAL FINES AND FORFEITURES...			\$ 1,740			\$ 1,740			\$ 1,740
TOTAL ENLISTED SOCIAL SECURITY TAX.....	406,734		\$ 630,743	403,913		\$ 631,623	397,951		\$ 635,065

Section 4  
Schedule of Increases and Decreases  
(Amounts in Thousands of Dollars)

Pay and Allowances of Cadets

Amount

FY 1998 Direct Program

\$38,679

Increase:

Ration increase

+ 741

Total Increase

741

Decrease:

Manyear Decrease

- 336

Total Decrease

- 336

FY 1999 Direct Program

\$ 39,084

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 39,084  
\$ 38,679  
\$ 36,903

**Project: Academy Cadets**

**Part I - Purpose and Scope**

The funds requested provide for basic pay and allowances of Academy Cadets and commuted ration allowance under the provisions of 37 U.S.C. 201, 203, and 422; and for the employer's share of FICA tax as provided by the Federal Insurance Contribution Act (FICA).

**Part II - Justification of Funds Requested**

The fund requirement was determined by applying statutory rates to the projected manyears. The daily reimbursement rate for cadet rations increases from \$5.03 per day in FY97 to \$5.15 in FY98 and \$5.25 in FY99 due to inflation. The cost of operational rations is included for field training.

Detailed cost computations are provided by the following table:

PAY AND ALLOWANCES OF ACADEMY CADETS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT	AVERAGE NUMBER	RATE	AMOUNT
(1) BASIC PAY.....	3,917	\$ 6,696	\$ 26,230	3,907	\$ 6,896	\$ 26,945	3,871	\$ 6,896	\$ 26,695
(2) SUBSISTENCE - COMMUTED-RATION									
A. SUBSISTENCE ALLOWANCE.....		1,836	7,191		1,880	7,344		1,916	7,418
B. OPERATIONAL RATIONS.....			1,483			2,380			2,980
(3) SOCIAL SECURITY TAX -									
EMPLOYER CONTRIBUTION.....		512	1,999		528	2,010		528	1,991
TOTAL ACADEMY CADETS.....	3,917		\$ 36,903	3,907		\$ 38,679	3,871		\$ 39,084

Section 4  
Schedule of Increases and Decreases  
(Amounts in Thousands of Dollars)

Subsistence of Enlisted Personnel

FY 1998 Direct Program

Amount  
\$ 1,065,781

Increases:

- a. Pay Raise: reflects annualization costs of the 2.8 percent 1 Jan 98 and the 3.1 percent 1 Jan 99 pay raise for BAS (BAS is one percent and Partial BAS is 2.1 percent) 23,147
- b. Inflation: Subsistence-In-Messes: Inflation increase of 1.5 percent 2,355
- c. Increase to direct funding due to estimated reduction in collections 18,539
- d. Increase in Operational Rations/Augmentation. Includes rate changes. 1,295

Total Increases 45,336

Decreases:

- a. Force Manning  
Reflects the decrease associated with the enlisted strength reduction, percent receiving BAS change and SIK utilization. -9,585

Total Decreases -9,585

FY 1999 Direct Program

\$1,101,532



(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 1,141,416  
\$ 1,124,204  
\$ 1,191,441

**Project: Subsistence of Enlisted Personnel**

**Part I - Purpose and Scope**

The funds requested for this enlisted activity are for the payment of authorized basic allowances for subsistence and for subsistence-in-kind (SIK). SIK includes the cost of procuring food and beverage supplies for issue as rations to enlisted personnel on extended active duty. This includes emergency and operational rations and the payment of meals furnished under contract (when approved by competent authority) at commercial facilities. This is when the payment of commuted rations would create an individual hardship and/or the costs for establishment of a Government mess facility are prohibitive. SIK includes the contract feeding of the enlisted soldier when it is more cost effective or advantageous to the Government.

**Part II - Justification of Funds Requested**

This budget activity includes the Basic Allowance for Subsistence (BAS) paid to enlisted personnel. BAS is paid under the following conditions: (1) When authorized to mess separately, (2) While on authorized leave, (3) When rations in kind are not available, and (4) for the augmentation of commuted ration allowance for meals taken separately.

Effective 1 October 1974 under U.S.C. §1009 Title 37, U.S.C. Sec 4 P.L. 93-419 Basic Allowance for Subsistence (BAS) rates were tied to the same percentage increase as pay increases for military personnel.

Starting in FY98, BAS Reform limits growth of BAS to one percent per year to provide a cost-neutral method to pay all enlisted members BAS. The residual payment with the remaining 1.8 percent pay raise in FY98 and 2.1 percent pay raise in FY99 resources this program that pays all eligible subsistence-in-kind members a partial BAS. The one percent per year cap to the BAS remains in effect until the allowance equals the U.S. Department of Agriculture (USDA) food plan (mid-way between levels 4 and 5 of the plan). Projected increases in cost growth will allow the U.S. Department of Agriculture (USDA) food plans to catch-up with the BAS payment in approximately six years at which time all enlisted personnel will be entitled to a BAS payment.

Overall, BAS cost increases +\$12.8M from FY98 to FY99. Rate change based on the pay raise for all types of BAS is expected to cost +\$23.1M, whereas many year reductions will decrease costs by -\$11.2M. The percent of enlisted many years receiving BAS increases cost +\$.9M.

Subsistence-In-Kind (SIK) transferred from the Operations and Maintenance Appropriation to the Military Personnel, Army appropriation in FY97. It funds subsistence to feed enlisted soldiers their daily ration in accordance with Title 10 U.S. Code. This activity also funds operational rations for field subsistence. Operational rations include Meals-Ready-to-Eat (MRE's), Tray Rations, Unitized Group Rations, Rations Cold Weather, and Arctic Rations.

SIK dining facility funding requirements are dependent on the number of enlisted personnel using the dining facilities (participation rate), and the cost of subsistence used in preparing meals (food cost). Congress has mandated the use of Prime Vendor delivery of subsistence to be fully implemented by the end of FY97. Under Prime Vendor, subsistence prices are more susceptible to market price fluctuations than under the previous depot system. The cost of rations used for field subsistence is determined by the number of active duty personnel and the type of rations used, and unique training scenarios.

From FY98 to FY99 Subsistence-in-Messes costs increase +\$3.1 M. Inflation budgeted at 1.5% accounts for +\$2.4M of the increase and +\$3.0M is due to estimated increased utilization of the dining facilities. Many year reductions decreased cost by -\$2.3M.

Operational Rations and Augmentation Ration cost increases from FY98 to FY99 by +\$19.7M. MRE cost increases by +\$14.3M; Tray Packs cost, +\$.8M; UGR's, +\$3.5M; Other including Augmentation Rations, +\$1.1M. Most of these increases are due to the decrease (-\$18.5M) in reimbursable funding and the corresponding increase (+\$18.5M) of direct dollars. The remaining increase +\$1.2M above the \$18.5M is a result of changes in ration configuration and the introduction of a new ration type.

ENLISTED BASIC ALLOWANCE FOR SUBSISTENCE  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
A. BASIC ALLOWANCE FOR SUBSISTENCE									
1. WHEN AUTH TO MESS SEPARATE.....	225,209	\$ 2,667.08	\$ 600,650	220,075	\$ 2,705.51	\$ 595,415	217,491	\$ 2,731.06	\$ 593,981
2. LEAVE RATION.....	30,310	\$ 2,667.08	80,839	31,610	\$ 2,705.51	85,521	30,831	\$ 2,731.06	84,201
3. WHEN RATIONS IN KIND NOT AVAILABLE.	22,010	\$ 3,007.42	66,193	22,671	\$ 3,051.34	69,177	22,336	\$ 3,080.54	68,807
4. AUGMENTATION OF COMMUTED RATION ALLOW FOR MEALS TAKEN SEPARATE.....	464	\$ 1,336.73	620	456	\$ 1,357.77	619	456	\$ 1,372.37	626
5. PARTIAL BAS.....	0	0.00	0	129,557	84.63	10,964	127,293	211.43	26,914
TOTAL ENLISTED									
BASIC ALLOWANCE FOR SUBSISTENCE.....	277,529		\$ 748,302	403,913		\$ 761,696	397,951		\$ 774,529

SUBSISTENCE IN KIND  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	DOLLAR AMOUNT	NUMBER	ANNUAL RATE	NUMBER	DOLLAR AMOUNT
<b>1. SUBSISTENCE IN MESSES</b>						
<b>CONUS</b>						
ARMY.....	48,435	\$ 2,142.55	46,192	\$ 2,171.75	46,414	\$ 2,204.60
OTHER.....	1,400	\$ 2,142.55	1,202	\$ 2,171.75	1,202	\$ 2,204.60
						\$ 102,323
						2,650
<b>OVERSEAS</b>						
ARMY.....	25,023	\$ 2,357.90	21,441	\$ 2,390.75	21,545	\$ 2,427.25
OTHER.....	150	\$ 2,357.90	132	\$ 2,390.75	132	\$ 2,427.25
						52,294
						320
TOTAL REIMBURSABLE.....						39,884
SUBTOTAL: MESSES.....	75,008	\$ 223,128	68,967	\$ 212,926	69,292	\$ 197,471

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	DOLLAR AMOUNT	NUMBER	UNIT COST	NUMBER	DOLLAR AMOUNT
<b>2. OPERATIONAL RATIONS</b>						
MEAL-READY-TO-EAT.....	2,097,447	\$ 76.76	1,382,000	73.03	1,545,828	\$ 115,257
TRAY PACKS.....	12,989	1,955.52	13,969	1,858.20	15,177	1,763.47
UNITIZED GROUP RATIONS.....	6,722	1,680.00	3,751	1,096.32	6,817	1,119.34
OTHER.....		7,500				7,631
						6,060
SUBTOTAL: OPERATIONAL RATIONS.....		\$205,193		\$136,024		\$155,712

MRE's - Package of 12, Tray packs - Pallet of 432 Meals; Unitized Group Rations = Pallet of 400 Meals

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
	DOLLAR AMOUNT	DOLLAR AMOUNT	DOLLAR AMOUNT
<b>3. AUGMENTATION RATIONS / OTHER PROGRAMS</b>			
AUGMENT RATIONS / OTHER PGMS.....	\$14,818	\$13,558	\$13,704
Includes supplemental rations, special exercises/operations, contract messes, box lunch meals, KATUSA Rations/Kits, New Food Items, Allied Nations support, and special issue.			
TOTAL SIK.....	\$443,139	\$362,508	\$366,887

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
	TOTAL AMOUNT	TOTAL AMOUNT	TOTAL AMOUNT
<b>TOTALS: BAS/SIK</b>			
TOTAL OBLIGATIONS.....	\$ 1,191,441	\$ 1,124,204	\$ 1,141,416
TOTAL REIMBURSABLE.....	56,998	58,423	39,884
TOTAL DIRECT OBLIGATIONS.....	\$ 1,134,443	\$ 1,065,781	\$ 1,101,532

Section 4  
Schedule of Increases and Decreases  
(Amounts in Thousands of Dollars)

Permanent Change of Station Travel			
FY 1998 Direct Program			Amount
Increases:			\$ 1,064,845
a.	Pay Raise	3,183	
	Sub-total		3,183
b.	Defense Working Capital Funds		
	AMC Passenger	3,445	
	AMC HHG	2,081	
	Sub-total		5,526
c.	Inflation		
	Land	4,401	
	ITGBL	3,160	
	Trailer	48	
	Commercial Air	140	
	Non Temporary Storage	379	
	Sub-total		8,128
d.	Increased Moves		
	Accession Moves	364	
	Separation Moves	7,428	
	Rotational Moves	1,186	
	Sub-total		8,978
Total Increases:			\$ 25,816
Decreases:			
a.	Decreased Moves		
	Operational Moves	-14	
	Unit Moves	-100	
	Subtotal		-114
Total Decreases:			\$ -114
FY 1999 Direct Program			\$1,095,547

PCS - SUMMARY OF MOVE REQUIREMENTS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
	NUMBER	NUMBER	NUMBER
	AMOUNT	AMOUNT	AMOUNT
ACCESSIONS TRAVEL.....	90,825	80,511	81,036
TRAINING TRAVEL.....	8,715	8,815	8,815
OPERATIONAL TRAVEL BETWEEN DUTY STATIONS...	23,027	24,328	24,326
ROTATIONAL TRAVEL TO AND FROM OVERSEAS.....	75,423	554,459	76,846
SEPARATION TRAVEL.....	87,055	161,107	86,011
TRAVEL OF ORGANIZED UNITS.....	2,010	7,474	4,286
NON-TEMPORARY STORAGE.....		25,016	16,731
TEMPORARY LODGING EXPENSE.....		10,670	25,271
		11,764	11,638
TOTAL OBLIGATIONS.....	287,055	276,764	281,320
LESS: REIMBURSABLES.....		\$ 8,000	\$ 8,000
TOTAL DIRECT.....	287,055	276,764	281,320
		1,056,245	1,090,547

PCS - SUMMARY OF REQUIREMENTS BY TYPES OF COST  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999	AMOUNT
	NUMBER	NUMBER	NUMBER	AMOUNT
TRAVEL OF MILITARY MEMBER				
MILEAGE AND PER DIEM.....	287,055	276,764	281,320	\$ 147,626
MAC.....	115,343	112,041	113,319	50,803
COMMERCIAL AIR.....	12,815	12,451	12,592	6,891
TRAVEL OF DEPENDENTS				
MILEAGE.....	121,739	119,919	121,719	68,536
MAC.....	47,565	47,394	47,863	25,334
COMMERCIAL AIR.....	4,439	4,411	4,460	2,440
TRANSPORTATION OF HHG				
LAND SHIPMENT.....	76,906	76,960	77,939	293,379
ITGBL SHIPMENT.....	55,753	55,712	56,164	210,648
M TONS - MSC.....	52,711	9,012	47,817	8,174
S TONS - MAC.....	16,179	15,465	15,618	24,488
DISLOCATION ALLOWANCE.....	74,874	77,968	78,049	102,685
TRAILER ALLOWANCE.....	1,155	1,126	1,142	3,176
TRANSPORTATION OF POVS.....	47,495	47,255	47,705	82,839
PORT HANDLING CHARGES.....		27,875	24,321	24,619
NON-TEMPORARY STORAGE.....		25,016	24,605	25,271
TEMPORARY LODGING EXPENSE.....		10,670	11,764	11,638
TOTAL OBLIGATIONS.....		\$ 1,064,245	\$ 1,072,844	\$ 1,098,547
LESS: REIMBURSABLES.....		\$ 8,000	\$ 8,000	\$ 8,000
TOTAL DIRECT.....		\$ 1,056,245	\$ 1,064,844	\$ 1,090,547

**Section 4**  
**Permanent Change of Station Travel**

**Purpose and Scope of Work**

The funds requested are for expenses incident to Permanent Change of Station (PCS) travel of military personnel. Entitlements for PCS include:

- Mileage and monetary allowances in lieu of transportation for members and dependents
- Transportation by common carrier to include Air Mobility Command (AMC) for members and dependents.
- Transportation of Household Goods (HHG) and baggage by common carrier, AMC, and Military Sealift Command (MSC). Includes cost of packing, crating, handling and temporary storage.
- Transportation and storage in lieu of transportation of Privately Owned Vehicles (POVs).
- Port handling charges for HHG, baggage, and POVs.
- Transportation of trailers.
- Non-temporary storage of HHG and POVs.
- Dislocation Allowances.
- Temporary Lodging Expenses.

The number of moves is driven by the commitment to station 25 percent of the force overseas and, by mandated end strength. All personnel overseas serve prescribed lengths as directed by Senate Report 99-176 DOD Appropriation Bill 1986 and House of Representatives Report 99-81 Authorization Bill which directs 36/24 month tour lengths unless designated a hardship area by service secretary. In FY99, 89,000 of the 121,300 soldiers stationed overseas will serve in a 36/24 month tour length area; 4,706 soldiers in a 24/12 month tour length; and the remaining 27,594 soldiers on 12 month dependent restricted tour. Currently, average time on station for soldiers serving in overseas locations exceeds prescribed tour lengths by three months. The FY99 Accessions and Separation move program supports a 480,000 end strength.

--The overseas rotational moves account for 27 percent of the Army's total move program and 53 percent of total PCS costs.

--Accessions and Separations moves comprise 59 percent of total moves and 25 percent of the dollar requirement.

--The remaining move/dollar requirements consist of Operational/Training and Unit moves which equal 14 percent of total moves and 22 percent of dollar requirements. These moves are essential to maintain requisite levels of training, force readiness, quality of life, unit integrity, and support Base Realignment and Closure actions.

The General Accounting Office has examined the Army's system of rotating forces overseas reported to Congress that there were no strong arguments to depart from the current system.



The FY99 budget estimate includes projected inflation, payraise (impacts Dislocation allowance, and Defense Working Capital Funds (DWCF) cost growth for applicable modes of PCS travel and transportation:

- Inflation factors of 1.5% for FY99 generated increased costs of \$8.1M.
- Increase in Dislocation Allowance (DLA) cost requirements because of an authorized pay raise of 3.1 percent for FY99. This increase results in a cost growth of a \$3M.
- Rate increases for DWCF vary by entitlement in each fiscal year, details are provided in the schedule of increases and decreases. Total increase for DWCF is \$5.5M in FY99.

The FY99 PCS program supports changes to force structure and policy changes.

- Restationing of units from Ft. McClellan to Ft. Lewis, Ft. Polk, and Ft. Leonardwood.
- Restationing of MEDCOM units from Fitzsimons Army Medical Center to Ft. Lewis and Sheppard AFB.

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 115,723  
\$ 113,925  
\$ 126,590

## **Project: Accession Travel**

### **Part I - Purpose and Scope**

Officers. Covers PCS movements of (1) officers appointed to a commissioned grade from civilian life, military academies, ROTC, and Army Reserve and National Guard officers called or recalled to extended duty from home or place where orders were received to first permanent duty station or training school of twenty weeks or more duration and (2) new permanent duty station or training school. Also included are officers appointed from enlisted status upon graduation from OCS. This category also includes travel to/from schools less than 20 weeks duration when they precede completion of travel to the new permanent duty station or training school in excess of 20 weeks.

Enlisted. Covers PCS movements of (1) enlistees and prior service personnel from recruiting station or place of enlistment to their first permanent duty station or training school of twenty weeks or more duration and (2) recalled enlisted reservists from home to first permanent duty station or training school of twenty weeks or more duration. Also includes travel to/from schools less than 20 weeks when they precede completion of travel to the new permanent duty station or training school in excess of 20 weeks.

Cadets. Funds PCS movements of (1) individuals selected as academy cadets upon entry into the academy and (2) individuals who travel to the academies but fail to pass the entrance physical examinations and are required to return home.

### **Part II - Justification of Funds Requested**

Accession estimates are based upon the officer, enlisted and cadet gains necessary to meet the Army's planned manpower levels through FY99.

Changes to this program can only be accommodated through adjustments in officer, enlisted or cadet strengths. Changes in move numbers between fiscal years reflect adjustments required to meet the Army's projected end strengths.

Inflation, DCWF rates, and pay raise all impact on the cost per move.

Detailed cost computations are provided by the following table:

PCS ACCESSION TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL.....	6,806	\$ 739	\$ 5,027	6,321	\$ 741	\$ 4,682	6,210	\$ 747	\$ 4,637
DEPENDENT TRAVEL.....	2,042	656	1,340	1,896	662	1,256	1,863	678	1,263
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	4,764	2,947	14,039	4,424	2,988	13,220	4,347	3,033	13,183
- OVERSEAS (MAC & MSC)...	2,407	434	1,045	2,235	439	981	2,197	463	1,018
DISLOCATION ALLOWANCE.....	2,185	1,377	3,008	2,029	1,415	2,872	1,993	1,459	2,908
TRAILER ALLOWANCE.....	27	2,702	73	25	2,740	68	25	2,781	70
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND...	980	1,736	1,702	910	1,737	1,580	894	1,736	1,552
- PORT HANDLING (MTMC)...	980	349	342	910	279	254	894	279	250
PORT HANDLING (HHG).....	12,252	43	529	11,376	43	491	11,178	43	482
SUBTOTAL.....			\$ 27,105			\$ 25,404			\$ 25,363
CADETS.....	1,195	\$ 375	\$ 448	1,220	\$ 750	\$ 915	1,220	\$ 766	\$ 934

PCS ACCESSION TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	82,824	\$ 704	\$ 58,343	72,970	\$ 707	\$ 51,585	73,606	\$ 714	\$ 52,534
DEPENDENT TRAVEL.....	24,019	283	6,788	21,161	283	5,991	21,346	284	6,070
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	12,333	1,935	23,861	10,866	1,961	21,313	10,960	1,991	21,825
- OVERSEAS (MAC & MSC)...	6,485	403	2,616	5,713	409	2,336	5,763	442	2,547
TRAILER ALLOWANCE.....	414	2,702	1,119	365	2,740	1,000	368	2,781	1,023
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND...	2,899	1,736	5,034	2,554	1,737	4,435	2,576	1,736	4,473
- PORT HANDLING (MTMC)...	2,899	349	1,012	2,554	279	714	2,576	279	720
PORT HANDLING (HHG).....	8,146	32	264	7,177	32	232	7,239	32	234
SUBTOTAL.....			\$ 99,037			\$ 87,606			\$ 89,426
TOTAL PCS ACCESSION TRAVEL...			\$ 126,590			\$ 113,925			\$ 115,723

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 49,249  
\$ 48,482  
\$ 47,392

## **Project: Training Travel**

### **Part I - Purpose and Scope**

Officers. Funds CONUS PCS movements for officers and warrant officers 1) from current permanent duty station to formal service or civilian schools, including technical schools, pilot training, factory training, and other approved courses of instruction of 20 weeks duration or more, and (2) PCS moves upon completion of school for officers and warrant officers to next CONUS permanent duty stations, and those eliminated from school prior to completion next permanent CONUS duty station. Excludes academy graduates, OCS graduates, ROTC graduates, and others (chargeable as Accession travel) and those officers and warrant officers who are moving into and out of a training seat from/to and overseas location (chargeable as Rotational travel).

Enlisted. Funds PCS movements of (1) enlisted personnel from previous CONUS permanent duty station to formal service or civilian schools, including technical schools, aircraft maintenance training, factory training, and other approved courses of instruction, of 20 weeks duration or more; (2) enlisted school graduates and those eliminated from school to their next CONUS permanent duty station; and (3) enlisted personnel ordered to training leading to a commission, if such training period is of 20 weeks duration or more. Excludes those soldiers moving in or out of a training seat to or from an overseas location (chargeable as a Rotational travel).

### **Part II - Justification of Funds Requested**

Estimates for training travel are based upon requirements for officer and enlisted personnel to attend military, other federal government, and civilian training programs.

Training is required to maintain the requisite skill levels/educational levels required by an Army that is capable of responding to strategic obligations in the evolving international environment. Training moves support the requirement to shape the force for tomorrow and the Army's duty to prepare soldiers to perform their required mission. Through training moves the Army is provided with soldiers trained in aviation, medical specialties, linguistics, force modernization, leadership skills, and Special Forces operations.

Training move requirements are projected to remain relatively constant.

The average estimated cost per training move for officer and enlisted increases in FY99 due to effects of inflation, pay raise and expansion of entitlements.

Detailed cost computations are provided by the following table:

PCS TRAINING TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER						
MEMBER TRAVEL						
MILEAGE AND PER DIEM.....	6,015	\$ 468	\$ 2,817	6,015	\$ 468	\$ 2,817
DEPENDENT TRAVEL	4,511	413	1,862	4,511	413	1,862
MILEAGE DEPENDENTS.....	5,113	5,027	25,701	5,113	5,098	26,065
TRANSPORTATION OF HHG	4,511	1,453	6,556	4,511	1,494	6,739
LAND SHIPMENT.....	6	2,702	16	6	2,740	16
DISLOCATION ALLOWANCE.....						
TRAILER ALLOWANCE.....						
SUBTOTAL.....			\$ 36,952			\$ 37,499
ENLISTED						
MEMBER TRAVEL						
MILEAGE AND PER DIEM.....	2,700	\$ 468	\$ 1,264	2,800	\$ 468	\$ 1,311
DEPENDENT TRAVEL	1,755	413	725	1,820	413	751
MILEAGE DEPENDENTS.....	2,025	3,115	6,308	2,100	3,159	6,634
TRANSPORTATION OF HHG	1,755	1,209	2,121	1,820	1,243	2,262
LAND SHIPMENT.....	8	2,702	22	9	2,740	25
DISLOCATION ALLOWANCE.....						
TRAILER ALLOWANCE.....						
SUBTOTAL.....			\$ 10,440			\$ 11,152
TOTAL PCS TRAINING TRAVEL.....			\$ 47,392			\$ 48,482

ESTIMATE FY 1999	\$ 143,258
ESTIMATE FY 1998	\$ 141,100
ACTUAL FY 1997	\$ 131,537

**Project: Operational Travel**

**Part I - Purpose and Scope**

Officers. Covers PCS movements of (1) officers and warrant officers to and from permanent duty stations located within the United States; (2) officers and warrant officers to and from permanent duty stations located within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of officers and warrant officers who are interned, missing, or captured provided no transoceanic travel is involved.

Enlisted. Covers PCS movements of (1) enlisted personnel to and from permanent duty stations located within the United States; (2) enlisted personnel to and from permanent duty stations within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of enlisted personnel who are interned, missing, or captured provided no transoceanic travel is involved.

**Part II - Justification of Funds Requested**

Operational moves are critical to the Army's ability to maintain readiness throughout the force. They are necessary to maintain units at required personnel readiness levels; support activations and inactivations; fill joint duty positions mandated under the Goldwater-Nichols DOD Reorganization Act of 1986; correct imbalances of skill and grade; support humanitarian, compassionate, and joint domicile needs; assign personnel to key positions in response to unprogrammed/unanticipated requirements, support Base Realignment and Closure actions and to fill high priority units.

The Army has implemented various management efficiencies and as a result maintained FY98 operational move levels in FY99. Current CONUS time on station for career enlisted soldiers exceeds the DOD 36 month goal.

Inflation, payraise, DWCF rates, and increased entitlements all impact on the cost per move.

Detailed cost computations are provided by the following table:

PCS OPERATIONAL TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	6,027	\$ 565	\$ 3,405	6,127	\$ 565	\$ 3,462	6,126	\$ 565	\$ 3,461
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	4,641	463	2,150	4,718	463	2,184	4,717	463	2,184
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	5,846	6,402	37,429	5,943	6,493	38,587	5,942	6,590	39,155
DISLOCATION ALLOWANCE.....	4,641	1,645	7,634	4,718	1,691	7,978	4,717	1,713	8,223
TRAILER ALLOWANCE.....	24	2,702	65	24	2,740	66	24	2,781	67
SUBTOTAL.....			\$ 50,683			\$ 52,277			\$ 53,090
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	17,000	\$ 509	\$ 8,654	18,201	\$ 565	\$ 10,284	18,200	\$ 565	\$ 10,283
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	12,580	413	5,196	13,469	413	5,563	13,468	413	5,562
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	14,620	3,524	51,517	15,653	3,573	55,935	15,652	3,627	56,764
DISLOCATION ALLOWANCE.....	12,580	1,196	15,041	13,469	1,229	16,556	13,468	1,267	17,067
TRAILER ALLOWANCE.....	165	2,702	446	177	2,740	485	177	2,781	492
SUBTOTAL.....			\$ 80,854			\$ 88,823			\$ 90,168
TOTAL PCS OPERATIONAL TRAVEL.....			\$ 131,537			\$ 141,100			\$ 143,258



(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 143,258  
\$ 141,100  
\$ 131,537

### **Project: Operational Travel**

#### **Part I - Purpose and Scope**

Officers. Covers PCS movements of (1) officers and warrant officers to and from permanent duty stations located within the United States; (2) officers and warrant officers to and from permanent duty stations located within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of officers and warrant officers who are interned, missing, or captured provided no transoceanic travel is involved.

Enlisted. Covers PCS movements of (1) enlisted personnel to and from permanent duty stations located within the United States; (2) enlisted personnel to and from permanent duty stations within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of enlisted personnel who are interned, missing, or captured provided no transoceanic travel is involved.

#### **Part II - Justification of Funds Requested**

Operational moves are critical to the Army's ability to maintain readiness throughout the force. They are necessary to maintain units at required personnel readiness levels; support activations and inactivations; fill joint duty positions mandated under the Goldwater-Nichols DOD Reorganization Act of 1986; correct imbalances of skill and grade; support humanitarian, compassionate, and joint domicile needs; assign personnel to key positions in response to unprogrammed/unanticipated requirements; support Base Realignment and Closure actions and to fill high priority units.

The Army has implemented various management efficiencies and as a result maintained FY98 operational move levels in FY99. Current CONUS time on station for career enlisted soldiers exceeds the DOD 36 month goal.

Inflation, payraise, DMCF rates, and increased entitlements all impact on the cost per move.

Detailed cost computations are provided by the following table:

PCS OPERATIONAL TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	6,027	\$ 565	\$ 3,405	6,127	\$ 565	\$ 3,462	6,126	\$ 565	\$ 3,461
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	4,641	463	2,150	4,718	463	2,184	4,717	463	2,184
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	5,846	6,402	37,429	5,943	6,493	38,587	5,942	6,590	39,155
DISLOCATION ALLOWANCE.....	4,641	1,645	7,634	4,718	1,691	7,978	4,717	1,743	8,223
TRAILER ALLOWANCE.....	24	2,702	65	24	2,740	66	24	2,781	67
SUBTOTAL.....			\$ 50,683			\$ 52,277			\$ 53,090
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	17,000	\$ 509	\$ 8,654	18,201	\$ 565	\$ 10,284	18,200	\$ 565	\$ 10,283
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	12,580	413	5,196	13,469	413	5,563	13,468	413	5,562
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	14,620	3,524	51,517	15,653	3,573	55,935	15,652	3,627	56,764
DISLOCATION ALLOWANCE.....	12,580	1,196	15,041	13,469	1,229	16,556	13,468	1,267	17,067
TRAILER ALLOWANCE.....	165	2,702	446	177	2,740	485	177	2,781	492
SUBTOTAL.....			\$ 80,854			\$ 88,823			\$ 90,168
TOTAL PCS OPERATIONAL TRAVEL.....			\$ 131,537			\$ 141,100			\$ 143,258

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 575,172  
\$ 566,038  
\$ 554,459

### **Project: Rotational Travel**

#### **Part I - Purpose and Scope**

Officers. Covers PCS movements of officers and warrant officers (1) from permanent duty stations in CONUS to permanent duty stations overseas; (2) from permanent duty stations overseas to permanent duty stations in CONUS; (3) from permanent duty stations in one overseas area to permanent duty stations in another overseas area, but only when transoceanic travel is involved; and (4) dependents, household goods, personal effects, trailer allowance, and privately owned vehicles of officers and warrant officers who are interned, missing, or captured, but only when transoceanic travel is involved.

Enlisted. Covers PCS movements of enlisted personnel (1) from permanent duty stations in CONUS to permanent duty stations overseas; (2) from permanent duty stations overseas to permanent duty stations in CONUS; (3) from permanent duty stations overseas to permanent duty stations in another overseas area, but only when transoceanic travel is involved; and (4) dependents, household goods, personal effects, trailer allowances, and privately owned vehicles of enlisted personnel who are interned, missing, or captured, but only when transoceanic travel is involved.

#### **Part II - Justification of Funds Requested**

Rotational moves are driven by the commitment to station 25% of the force overseas in support of The National Military Strategy. The number of moves required is determined by overseas end strength and the average time actually served overseas less the number of overwater Accession, Separation, and Unit moves. Current time on station for soldiers serving in overseas locations exceeds prescribed tour lengths by three months. While this increased average time on station due to stabilized European troop strength and management efficiencies reduces rotational move requirements, increased endstrength in Korea, tour length conversions in Saudi Arabia and Kuwait and permanent positions in support of Traditional CINC Activities generate additional rotational moves requirements.

The Army has 120,834 soldiers stationed overseas which represents 25 percent of total Army end strength. Of these, soldiers, 88,656 are serving in a 36/24 month tour area, 4,688 are in a

24/12 month tour length location and 27,490 are servings in locations designated as hardship/dependent restricted areas with a 12 month tour length.

The Army's system of rotating soldiers to and from Europe (65,000 end strength) was examined by the General Accounting Office (GAO). In their 1993 report to Congress GAO stated there were no strong arguments to depart from the Army's current system.

The average estimated cost per rotational moves for officers and enlisted increases in FY99 due to the effects of inflation, pay raise, DWCF rates increases, and expanded entitlements.

PCS ROTATIONAL TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
OFFICER	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL.....	7,900	\$ 1,326	\$ 10,473	8,007	\$ 1,333	\$ 10,672	8,007	\$ 1,352	\$ 10,827
DEPENDENT TRAVEL.....	6,715	1,651	11,088	6,806	1,661	11,305	6,806	1,687	11,483
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	7,441	6,283	46,752	7,542	6,372	48,054	7,398	6,477	47,915
- OVERSEAS.....	20,137	435	8,755	20,411	439	8,958	15,126	565	8,552
TRAILER ALLOWANCE.....	62	2,710	168	63	2,746	173	63	2,778	175
DISLOCATION ALLOWANCE...	6,715	1,585	10,645	6,806	1,630	11,093	6,806	1,680	11,436
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND	4,740	1,736	8,231	4,804	1,737	8,343	4,804	1,737	8,343
- PORT HANDLING (MTMC)	4,740	349	1,655	4,804	279	1,342	4,804	279	1,342
PORT HANDLING (HHG).....	69,929	53	3,712	70,876	53	3,762	70,876	53	3,762
SUBTOTAL.....			\$ 101,479			\$ 103,702			\$ 103,835

PCS ROTATIONAL TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	67,523	\$ 1,122	\$ 75,757	68,552	\$ 1,129	\$ 77,406	68,839	\$ 1,148	\$ 79,060
DEPENDENT TRAVEL.....	41,189	1,360	56,002	41,817	1,365	57,092	41,992	1,381	57,981
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	53,506	3,441	184,138	54,320	3,490	189,575	54,549	3,542	193,211
- OVERSEAS.....	32,210	463	14,905	32,700	467	15,280	32,836	492	16,147
TRAILER ALLOWANCE.....	155	2,703	419	158	2,741	433	158	2,778	439
DISLOCATION ALLOWANCE...	41,189	1,123	46,254	41,817	1,155	48,279	41,951	1,190	49,930
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND	33,762	1,736	58,627	34,277	1,737	59,527	34,420	1,736	59,770
- PORT HANDLING (MTMC)	33,762	349	11,790	34,277	279	9,577	34,420	279	9,616
PORT HANDLING (HHG).....	117,821	43	5,088	119,617	43	5,167	120,117	43	5,183
SUBTOTAL.....			\$ 452,980			\$ 462,336			\$ 471,337
TOTAL PCS									
ROTATIONAL TRAVEL.....			\$ 554,459			\$ 566,038			\$ 575,172

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 161,505  
\$ 150,384  
\$ 161,107

## Project: Separation Travel

### Part I - Purpose and Scope

Officers. Covers PCS movements of officers and warrant officers upon separation from the service from their last permanent duty station to their home of record, point of entry into service, or to their home of selection when authorized by law.

Enlisted. Covers PCS movements of enlisted personnel upon separation from the service from last permanent duty station to their home of record, point of entry into service, or to their home of selection when authorized by law.

Cadets. Covers PCS movements of cadets eliminated from the academy to their home of record or point of entry into service.

### Part II - Justification of Funds Requested

Separations are based on projected personnel losses. The overall separation rate increases due to cost growth in the Defense Capital Working Funds (DCWF) rates and inflation.

Detailed cost computations are provided in the following table:

PCS SEPARATION TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICER									
MEMBER TRAVEL.....	8,129	596	\$ 4,846	6,426	598	\$ 3,842	7,610	603	\$ 4,587
DEPENDENT TRAVEL.....	6,503	332	2,158	5,141	333	1,714	6,088	338	2,057
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	4,430	4,750	21,041	3,502	4,817	16,868	4,148	4,888	20,277
- OVERSEAS.....	1,503	516	775	1,189	523	622	1,408	555	781
TRAILER ALLOWANCE.....	39	2,702	105	31	2,740	85	37	2,781	103
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND...	1,179	1,736	2,047	932	1,737	1,619	1,104	1,736	1,917
- PORT HANDLING (MTMC)...	1,179	349	412	932	279	260	1,104	279	308
PORT HANDLING (HHG).....	22,352	43	965	17,677	43	763	20,933	43	903
SUBTOTAL.....			\$ 32,349			\$ 25,773			\$ 30,933
CADETS.....	233	307	\$ 72	255	750	\$ 191	255	766	\$ 195



PCS SEPARATION TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED									
MEMBER TRAVEL.....	78,693	545	\$ 42,903	75,560	547	\$ 41,331	78,146	552	\$ 43,122
DEPENDENT TRAVEL.....	16,526	370	6,110	15,868	372	5,901	16,411	378	6,200
TRANSPORTATION OF HHG									
- LAND & ITGBL.....	21,303	3,132	66,715	20,454	3,176	64,960	21,154	3,223	68,184
- OVERSEAS.....	6,148	550	3,381	5,903	557	3,286	6,105	592	3,617
TRAILER ALLOWANCE.....	236	2,702	638	227	2,740	622	234	2,781	651
PRIVATELY OWNED VEHICLE									
- MIL. SEALIFT COMMAND...	3,935	1,736	6,833	3,778	1,737	6,561	3,907	1,736	6,784
- PORT HANDLING (MTMC)...	3,935	349	1,374	3,778	279	1,056	3,907	279	1,092
PORT HANDLING (HHG).....	23,017	32	732	22,101	32	703	22,858	32	727
SUBTOTAL.....			\$ 128,686			\$ 124,420			\$ 130,377
TOTAL PCS			\$ 161,107			\$ 150,384			\$ 161,505
SEPARATION TRAVEL.....									

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 16,731  
\$ 16,546  
\$ 7,474

**Project: Travel of Organized Units**

**Part I - Purpose and Scope**

Officers. Covers PCS movements (CONUS or overseas), of (1) officers and warrant officers directed to move as members of an organized unit movement and (2) officer and warrant officer fillers and replacements directed to move as part of the unit move.

Enlisted. Covers PCS movements (CONUS or overseas), of (1) enlisted personnel directed to move as members of an organized unit movement and (2) enlisted fillers and replacements directed to move as part of the unit move.

**Part II - Justification of Funds Requested**

Unit moves are required to support changes in force structure that necessitate realignment of forces to correct imbalances of support/command/control units, and to maintain unit tactical integrity. The estimate is based on point-to-point unit moves. The number of units moves are cyclical as the Army repositions the force structure in response to an evolving global focus, and the fielding of new equipment/units.

FY99 Unit moves support Base Realignment and Closure initiatives.

Unit move rates increase due to inflation, pay raise, and expanded entitlements.

Detailed cost computations are provided by the following table:

PCS ORGANIZED UNIT TRAVEL  
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	186	\$ 409	\$ 76	486	\$ 407	\$ 198	486	\$ 407	\$ 198
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	145	331	48	379	332	126	379	332	126
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	147	5,694	837	384	5,773	2,217	384	5,859	2,250
DISLOCATION ALLOWANCE.....	149	1,756	262	389	1,805	702	389	1,861	724
TRAILER ALLOWANCE.....	1	2,702	3	4	2,740	11	4	2,781	11
SUBTOTAL.....			\$ 1,226			\$ 3,254			\$ 3,309
ENLISTED									
MEMBER TRAVEL									
MILEAGE AND PER DIEM.....	1,824	\$ 356	\$ 650	3,824	\$ 356	\$ 1,363	3,800	\$ 356	\$ 1,354
DEPENDENT TRAVEL									
MILEAGE DEPENDENTS.....	1,113	332	370	2,333	333	776	2,318	333	771
TRANSPORTATION OF HHG									
LAND SHIPMENT.....	1,131	3,331	3,767	2,371	3,377	8,008	2,356	3,428	8,076
DISLOCATION ALLOWANCE.....	1,149	1,229	1,412	2,409	1,263	3,044	2,394	1,303	3,118
TRAILER ALLOWANCE.....	18	2,702	49	37	2,740	101	37	2,781	103
SUBTOTAL.....			\$ 6,248			\$ 13,292			\$ 13,422
TOTAL PCS ORGANIZED UNIT TRAVEL.....			\$ 7,474			\$ 16,546			\$ 16,731

PCS - NON-TEMPORARY STORAGE  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997 AMOUNT	ESTIMATE FY 1998 AMOUNT	ESTIMATE FY 1999 AMOUNT
NON-TEMPORARY STORAGE.....	\$ 25,016	\$ 24,605	\$ 25,271
TEMPORARY LODGING EXPENSE.....	10,670	11,764	11,638
TOTAL OBLIGATIONS.....	\$ 1,064,245	\$ 1,072,844	\$ 1,098,547
LESS: REIMBURSABLE OBLIGATIONS.....	8,000	8,000	8,000
TOTAL DIRECT OBLIGATIONS.....	\$ 1,056,245	\$ 1,064,844	\$ 1,090,547

Section 4  
Schedule of Increases and Decreases  
(Amounts in Thousands of Dollars)

	Amount
Other Military Personnel Costs	
FY 1998 Direct Program	\$ 207,006
Increases:	
a. Unemployment Benefits	9,384
Reflects increases in enlisted losses	
b. Interest on Soldier Deposit	4
Program increase due to policy changes	
c. Obligations for Advance of Pay to Soldiers	
One-time requirement due to change in accounting practice	161,000
Total Increases:	\$ 170,388
Decreases:	
a. Education Benefits -- Trust Fund	
Decrease in per capita rates	- 11,763
b. Manyear Decreases	
Death Gratuities	- 568
Survivor Benefit	
Interest on Soldier Deposit	
Apprehension of Deserters	
Total Decreases:	\$ -12,331
FY 1999 Direct Program	\$ 365,063

ESTIMATE FY 1999	\$ 780
ESTIMATE FY 1998	\$ 792
ACTUAL FY 1997	\$ 797

**Project: Apprehension of Deserters**

**Part I - Purpose and Scope**

The funds requested provide for expenses in connection with the apprehension of deserters, absentees, and escaped military prisoners and for their delivery to the control of the Department of Defense. Included is the cost of detention and subsistence furnished during the period a military member is detained in civil confinement for safekeeping when so requested by military authority, cost of reimbursement for expenses incurred (not to exceed \$75.00 in either case), and cost of transportation, lodging, and subsistence of an escort guard.

**Part II - Justification of Funds Requested**

Cost estimates are based on factors developed from current expenditure experience as applied against programmed manyears.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS  
 APPREHENSION OF DESERTERS  
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
TRAVEL AND OTHER EXPENSES INCIDENT TO THE APPREHENSION AND DELIVERY OF DESERTERS, PRISONERS AND SOLDIERS AWOL INCLUDING PAYMENT OF CONFINEMENT OF MILITARY PRISONERS IN NON-MILITARY FACILITIES.....	\$ 797	\$ 792	\$ 780

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 1,962
ESTIMATE FY 1998	\$ 1,986
ACTUAL FY 1997	\$ 2,010

### **Project: Death Gratuities**

#### **Part I - Purpose and Scope**

The funds requested are for the payment of death gratuities to beneficiaries of deceased military personnel as authorized by law. Death gratuities are composed of basic pay, incentive pay, and overseas pay, if applicable. The National Defense Authorization Act for FY92 and FY93, section 652, Amends Section 1478(a) of Title 10 U.S.C., increasing the maximum amount payable to \$6,000.

#### **Part II - Justification of Funds Requested**

Fund requirements are based on the most recent mortality rates as applied against programmed manyears of personnel and the statutory gratuity payment.

Detailed cost computations are provided by the following table:



OTHER MILITARY PERSONNEL COSTS  
DEATH GRATUITIES  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
DEATH GRATUITIES						
OFFICER.....	32	\$ 6,000.00	\$ 192	31	\$ 6,000.00	\$ 186
ENLISTED.....	297	6,000.00	1,782	295	6,000.00	1,746
CADETS.....	6	6,000.00	36	5	6,000.00	30
TOTAL.....	335		\$ 2,010	331		\$ 1,962

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 116,010
ESTIMATE FY 1998	\$ 106,626
ACTUAL FY 1997	\$ 124,463

**Project: Unemployment Benefits Paid to Ex-Service Members**

**Part I - Purpose and Scope**

Funds are to pay unemployment benefits to ex-service members who are discharged or released under honorable conditions as prescribed in Paragraph (1) of Section 8521(a) of Title 5, United States Code. The Department of Labor (DoL) is the executive agency for the program; however, program administration is accomplished by each state. Generally, eligibility is defined as active service in the Army whereupon service members were discharged under honorable conditions (and, if an officer, did not resign for the good of the service); and had completed their first full term of active service; or were discharged before completing their first term under an early release program, because of hardship, for medical reasons, for personal disorders, or inaptitude (but only if the service was continuous for 365 days or more).

The Emergency Unemployment Compensation Act of 1991 (P.L. 102-164) extended unemployment compensation benefits for former military personnel up to 26 weeks with a one-week waiting period as opposed to 13 weeks after a four-week wait. The law also reduced the amount of active duty in a reserve status from 180 continuous days to 90 continuous days necessary to be considered "federal service" for claim purposes.

**Part II - Justification of Funds Requested**

The estimated unemployment benefit payments are based on programmed separations from the Army's manpower program and average monthly benefit amounts of compensation from Department of Labor. An anticipated increase in the number of Active Army Enlisted Separations will have a corresponding affect on the cost of unemployment benefits paid to ex-service members. The requirement increases by \$9.4 million from FY98 to FY 99.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS  
UNEMPLOYMENT BENEFITS PAID TO EX-SERVICE MEMBERS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNEMPLOYMENT BENEFITS						
OFFICER.....						
ENLISTED.....	38,529	3,230.36	124,463	32,629	3,267.82	106,626
TOTAL.....	38,529		\$ 124,463	32,629		\$ 106,626
				34,649	3,348.16	116,010
				34,649		\$ 116,010

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 7,740  
\$ 8,272  
\$ 7,920

### **Project: Survivor Benefits**

#### **Part I - Purpose and Scope**

Funds are requested to provide for payments of restored social security benefits to widows and orphans of deceased Army military personnel. These benefits were withdrawn under Public Law 97-35, which terminated the "Mother's Milk Benefit" when the last child in custody of the surviving spouse reached age 16, rather than 18, and affected the "school child" by either eliminating benefit payments or by requiring a reduction in benefits. Section 156 of Public Law 97-37 modified by Section 943 of the DOD Authorization Act, 1984, P.L. 98-94, Stat. 614, restored these Social Security benefits to survivors of military members and directed the Department of Defense to budget for this requirement.

#### **Part II - Justification of Funds Requested**

Cost estimates from the Department of Veterans Affairs are based on average benefit payments and caseload for spouses and children in school.

The latest Department of Veterans Affairs cost estimates are provided in the following table:

OTHER MILITARY PERSONNEL COSTS  
 SURVIVOR BENEFITS  
 (AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
SURVIVOR BENEFIT COSTS.....	\$ 7,920	\$ 8,272	\$ 7,740

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 380
ESTIMATE FY 1998	\$ 380
ACTUAL FY 1997	\$ 380

**Project: Adoption Costs**

**Part I - Purpose and Scope**

Section 651 of the National Defense Authorization Act for FY92 and FY93 permanently established the adoption program to reimburse service members for adoption expenses of a child under the age of 18 years.

**Part II - Justification of Funds Required**

The average amount payable is \$2,000 per adoption. Expenses include public and private agency fees; legal fees; medical expenses associated with the child, biological mother, and adoptive parents; temporary foster care; and other expenses approved by the Department of Defense.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS  
ADOPTION EXPENSES  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999	AMOUNT
	NUMBER	NUMBER	NUMBER	AMOUNT
	RATE	RATE	RATE	
ADOPTION EXPENSES.....	190	190	190	\$ 380
	2,000.00	2,000.00	2,000.00	\$ 380
				\$ 380

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999  
ESTIMATE FY 1998  
ACTUAL FY 1997

\$ 534  
\$ 530  
\$ 474

**Project: Interest on Soldier's Deposit**

**Part I - Purpose and Scope**

The National Defense Authorization Act for FY92 and FY93, Section 639 amends Section 1035 of Title 10 U.S.C. this section establishes a savings program for overseas members participating in temporary duty contingency operations. Precedence from Vietnam indicates that the Department of the Army will be required to fund the difference between ten percent paid and the average Treasury Bill rates.

**Part II - Justification of Funds Requested**

The amount budgeted is based on current experience in relation to the number of Army participants.

Detailed cost computations are provided by the following table:



OTHER MILITARY PERSONNEL COSTS  
INTEREST ON SOLDIERS' DEPOSIT  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
INTEREST ON SOLDIERS' DEPOSIT.....						
OFFICER.....	735	280.00	770	280.00	782	280.00
ENLISTED.....	1,450	185.00	1,695	185.00	1,700	185.00
TOTAL.....	2,185		2,465		2,482	
		\$ 474		\$ 530		\$ 534

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$161,000
ESTIMATE FY 1998	\$0
ACTUAL FY 1997	\$0

**Project: Obligations for Advance of Pay**

**Part I - Purpose and Scope**

Advance payments are authorized to soldiers on a case by case basis to meet extraordinary expenses incident to a government-ordered relocation as provided by 37 U.S.C. 1006. Advance payments are intended to assist with the out-of-pocket expenses that exceed or preceded reimbursements incurred in a duty location change and are expenses not typical of day-to-day military living. Advance payments vary depending on the reason and type of relocation the soldier incurs.

**Part II - Justification of Funds Requested**

Funds are requested to implement an accounting adjustment regarding the fiscal year in which the Department records obligations for advance payments under 37 U.S.C. 1006.

OTHER MILITARY PERSONNEL COSTS  
OBLIGATIONS FOR ADVANCE OF PAY  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
OBLIGATIONS FOR ADVANCE OF PAY			
OFFICER.....	\$ 0	\$ 0	\$ 57,000
ENLISTED.....	0	0	104,000
TOTAL.....	\$ 0	\$ 0	\$ 161,000

(AMOUNTS IN THOUSANDS OF DOLLARS)

ESTIMATE FY 1999	\$ 76,807
ESTIMATE FY 1998	\$ 88,570
ACTUAL FY 1997	\$ 90,897

### **Project: Educational Benefits**

#### **Part I - Purpose and Scope**

Funds are for the payment to the Department of Defense Educational Benefits Trust Fund. The Army College Fund is governed by Title 38 U.S.C., Chapter 30. The program will fund additional and supplemental benefit payments above a basic benefit to be budgeted by the Department of Veteran Affairs. This program is budgeted on an accrual basis by the Department of Defense. Actual benefit payments to individuals will be made by the Department of Veterans Affairs from funds transferred from the Trust Fund account.

#### **Part II - Justification of Funds Requested**

All individuals entering active duty after July 1, 1985 (including those in the Delayed Entry Program) except those who have received a commission from a service academy or completed an ROTC Scholarship Program are eligible to receive additional and supplemental educational assistance at the discretion of the Secretary of Defense unless they elect not to participate in the basic program.

In FY97, the Army initiated additional and supplemental benefit payments above the basic benefit to provide increased incentives for a selected number of critical skills open to both male and female recruits. The Board of Actuaries established new rates for these higher incentive changes midway through FY97. Due to per capita rate adjustments and the absorption of the FY98 amortization and liability costs in FY97, a decrease in the program of \$11.7 million is expected between FY98 and FY99.

Detailed cost computations are provided by the following table:

OTHER MILITARY PERSONNEL COSTS  
EDUCATIONAL BENEFITS  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
FOUR YEAR OBLIGATION.....	\$ 18,669	\$ 29,010	\$ 25,481
THREE YEAR OBLIGATION.....	10,637	27,119	21,490
TWO YEAR OBLIGATION.....	12,235	11,528	9,436
AMORTIZATION PAYMENTS.....	49,356	20,913	20,400
TOTAL EDUCATIONAL BENEFITS.....	\$ 90,897	\$ 88,570	\$ 76,807
TOTAL DIRECT OMPC OBLIGATION AMOUNTS.....	\$ 226,681	\$ 207,006	\$ 365,063

Section 5  
Military Personnel, Army  
Defense Working Capital Funds (DWCF) Reimbursements  
Introduction

The Defense Management Resource Decision (DMRD) 971 established the Defense Working Capital Funds (DWCF) (formerly the Defense Business Operations Fund (DBOF)) in order to expand the use of business like financial management practices. DWCF was initiated to improve the tools available to managers of the support establishment by collecting all costs related to goods and services, including military costs. Prior to DMRD 971 DWCF activities did not pay for the cost of military support. Reimbursements requested are for the cost of base pay and entitlements for military personnel assigned to DBOF activities.

Justification of Funds Requested

The estimated reimbursements are based on the Department of Under Secretary of Defense (Comptroller) guidance. Estimated manpower reflects the number of workyears for each DWCF business area.

Detailed cost by DWCF activity is provided by the following table:

SECTION 5  
DEFENSE WORKING CAPITAL FUNDS REIMBURSABLE PROGRAM  
(AMOUNTS IN THOUSANDS OF DOLLARS)

OFFICER	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
SUPPLY MGMT	6	\$ 485	9	\$ 467	8	\$ 597
ORDNANCE	12	977	12	1,060	12	1,070
DEPOT MAINTENANC	36	2,639	31	3,070	30	2,357
INFORMATION SERV	47	3,327	32	2,512	32	2,497
SMALL COMPUTER P	0	0	3	167	2	146
AMC	101	7,429	87	7,277	84	6,667
ICP's	103	8,417	100	8,000	95	8,050
DRMS	2	188	2	282	2	204
INFO SERVICES	2	160	2	167	2	178
DEPOTS	38	3,176	41	4,262	32	2,114
DLA	145	11,942	145	12,691	131	10,546
DFAS	55	4,430	55	4,497	55	6,277
DECA	9	619	9	492	9	578
DECCO	3	233	2	149	2	146
DISO	16	1,246	1	107	3	0
DISA	19	1,479	3	256	5	146
JLSC	2	160	2	197	0	0
MTMC	108	8,892	67	6,000	62	5,740
DEFENSE COURIER	12	777	7	500	7	494
TRANSCOM	69	5,680	69	5,943	66	6,143
TOTAL TRANSCOM	189	15,349	143	12,443	135	12,377
TOTAL	520	\$ 41,407	444	\$ 37,852	419	\$ 36,591

SECTION 5  
DEFENSE WORKING CAPITAL FUNDS REIMBURSABLE PROGRAM  
(AMOUNTS IN THOUSANDS OF DOLLARS)

ENLISTED	ACTUAL FY 1997		ESTIMATE FY 1998		ESTIMATE FY 1999	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
SUPPLY MGMT	9	\$ 275	8	\$ 295	9	\$ 291
ORDNANCE	10	312	10	367	10	337
DEPOT MAINTENANC	53	1,561	39	1,715	36	1,148
INFORMATION SERV	126	3,395	130	4,972	124	3,613
SMALL COMPUTER P	0	0	1	52	1	34
AMC	198	5,543	188	7,401	180	5,423
ICP's	52	1,616	49	1,230	62	1,750
DRMS	23	700	18	765	15	493
INFO SERVICES	0	0	0	0	0	0
DEPOTS	36	1,109	6	1,113	6	767
DLA	111	3,424	73	3,109	83	3,010
DFAS	447	12,098	445	11,703	443	9,023
DECA	2	67	1	40	1	42
DECCO	12	356	4	128	0	0
DISO	64	1,749	54	2,516	52	2,044
DISA	76	2,105	58	2,644	52	2,044
JLSC	1	28	1	0	0	0
MTMC	144	4,343	72	2,400	67	2,326
DEFENSE COURIER	98	2,874	78	2,500	78	2,441
TRANSCOM	35	990	35	1,157	35	1,071
TOTAL TRANSCOM	277	8,207	185	6,057	180	5,838
TOTAL	1,112	\$ 31,473	951	\$ 30,953	939	\$ 25,381



SECTION 5  
DEFENSE WORKING CAPITAL FUNDS REIMBURSABLE PROGRAM  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997			ESTIMATE FY 1998			ESTIMATE FY 1999		
TOTAL	NUMBER	AMOUNT		NUMBER	AMOUNT		NUMBER	AMOUNT	
SUPPLY MGMT	15	\$ 982		17	\$ 763		17	\$ 888	
ORDNANCE	22	1,413		22	1,427		22	1,408	
DEPOT MAINTENANC	89	5,255		70	4,785		66	3,505	
INFORMATION SERV	173	8,574		162	7,484		156	6,109	
SMALL COMPUTER P	0	0		4	219		3	180	
AMC	299	16,224		275	14,677		264	12,090	
ICP's	155	8,336		149	9,230		157	9,800	
DRMS	25	985		20	1,027		17	697	
INFO SERVICES	2	1,581		2	167		2	178	
DEPOTS	74	4,089		47	5,376		38	2,881	
DLA	256	14,991		218	15,800		214	13,556	
DFAS	502	14,300		500	16,200		498	15,300	
DECA	11	685		10	532		10	620	
DECCO	15	200		6	277		2	146	
DISO	80	3,000		55	2,623		55	2,044	
DISA	95	3,200		61	2,899		57	2,190	
JLSC	3	188		3	197		0	0	
MTMC	252	13,229		139	8,400		129	8,066	
DEFENSE COURIER	110	3,652		85	3,000		85	2,935	
TRANSOM	104	6,680		104	7,100		101	7,214	
TOTAL TRANSCOM	466	23,560		328	18,500		315	18,216	
TOTAL	1,632	\$ 73,148		1,395	\$ 68,805		1,358	\$ 61,971	



SECTION 5  
SCHEDULE OF MILITARY PERSONNEL ASSIGNED OUTSIDE DOD

	ACTUAL FY 1997		TOTAL	ESTIMATE FY 1998		TOTAL	ESTIMATE FY 1999		TOTAL
	OFFICER	ENLISTED		OFFICER	ENLISTED		OFFICER	ENLISTED	
ASSIGNED TO DOD IN SUPPORT OF NON-DOD									
FUNCTIONS REIMBURSABLE:									
FOREIGN MILITARY SALES.....	302	230	532	302	230	532	302	230	532
MILITARY ASSIST PROGRAM.....	0	0	0	0	0	0	0	0	0
DEFENSE WORKING CAPITAL FUNDS (DWCf)...	520	1,112	1,632	444	951	1,395	419	939	1,358
TOTAL OTHER.....	822	1,342	2,164	746	1,181	1,927	721	1,169	1,890
TOTAL NONREIMBURSABLE.....	89	21	110	97	14	111	97	6	103
TOTAL REIMBURSABLE.....	55	10	65	51	10	61	54	5	59
GRAND TOTAL.....	966	1,373	2,339	894	1,205	2,099	872	1,180	2,052

SECTION 5 - REIMBURSABLE PROGRAM  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
MEDICAL.....	\$ 0	\$ 0	\$ 0
FOREIGN MILITARY SALES.....			
TRAINING.....	\$ 21,980	\$ 24,980	\$ 27,619
PCS TRAVEL.....	9,000	11,000	13,000
ADMINISTRATIVE SURCHARGE.....	7,580	7,580	7,580
	5,400	6,400	7,039
OTHER NON-STRENGTH.....	\$ 57,508	\$ 58,823	\$ 40,284
SUBSISTENCE IN KIND.....	56,998	58,423	39,884
CLOTHING.....	250	250	250
OTHER MILITARY COSTS.....	260	150	150
STRENGTH RELATED.....	\$ 127,812	\$ 123,264	\$ 125,097
OFFICER.....	80,000	76,025	76,177
ENLISTED.....	47,392	46,819	48,500
PCS TRAVEL.....	420	420	420
TOTAL PROGRAM.....	\$ 207,300	\$ 207,067	\$ 193,000

SECTION 5 - REIMBURSABLE PROGRAM  
(AMOUNTS IN THOUSANDS OF DOLLARS)

	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
STRENGTH RELATED.....	\$ 127,392	\$ 122,844	\$ 124,677
TOTAL END STRENGTH.....	2,229	1,988	1,949
ENLISTED.....	1,352	1,191	1,174
OFFICER.....	877	797	775
TOTAL MANYEARS.....	2,237	1,986	1,946
ENLISTED.....	1,357	1,190	1,175
OFFICER.....	880	796	771
FEDERAL AGENCIES			
OFFICER.....	\$ 5,349	\$ 5,422	\$ 5,848
END STRENGTH.....	55	51	54
MANYEARS.....	54	50	52
ENLISTED.....	\$ 1,138	\$ 597	\$ 588
END STRENGTH.....	10	10	5
MANYEARS.....	15	9	6
TOTAL.....	\$ 6,487	\$ 6,019	\$ 6,436
END STRENGTH.....	65	61	59
MANYEARS.....	69	59	58
MAAGS, MISSIONS, AND MILITARY GROUPS			
OFFICER.....	\$ 30,314	\$ 32,751	\$ 33,738
END STRENGTH.....	302	302	302
MANYEARS.....	306	302	300
ENLISTED.....	\$ 17,443	\$ 15,269	\$ 22,531
END STRENGTH.....	230	230	230
MANYEARS.....	230	230	230
TOTAL.....	\$ 47,757	\$ 48,020	\$ 56,269
END STRENGTH.....	532	532	532
MANYEARS.....	536	532	530

SECTION 5 - REIMBURSABLE PROGRAM  
(AMOUNTS IN THOUSANDS OF DOLLARS)

DEFENSE WORKING CAPITAL FUNDS (DWCF)	ACTUAL FY 1997	ESTIMATE FY 1998	ESTIMATE FY 1999
OFFICER.....	\$ 44,337	\$ 37,852	\$ 36,591
END STRENGTH.....	520	444	419
MANYEARS.....	520	444	419
ENLISTED.....	\$ 28,811	\$ 30,953	\$ 25,381
END STRENGTH.....	1,112	951	939
MANYEARS.....	1,112	951	939
TOTAL.....	\$ 73,148	\$ 68,805	\$ 61,972
END STRENGTH.....	1,632	1,395	1,358
MANYEARS.....	1,632	1,395	1,358

THIS BUDGET INCLUDES SUPPORT IN THE FORM OF PAY AND ALLOWANCE COSTS FOR ACTIVE MILITARY PERSONNEL ASSOCIATED WITH COUNTERTERRORISM ACTIVITIES AS FOLLOWS:

<b>MPA FUNDING SUMMARY (\$millions)</b>	<b>FY97</b>	<b>FY98</b>	<b>FY99</b>
Security Forces and Technicians	84.4	80.3	80.1
Law Enforcement	426.4	405.2	405.1
Security and Investigative Matters	84.4	80.3	80.1
<b>TOTAL</b>	<b>\$595.2</b>	<b>\$565.8</b>	<b>\$565.3</b>

  

<b>ACTIVE MILITARY END STRENGTH</b>	
Security Forces and Technicians	2,591
Law Enforcement Enlisted	11,992
Security and Investigative Matters	801
<b>TOTAL</b>	<b>15,384</b>

  

	<b>2,429</b>	<b>2,376</b>
	<b>11,233</b>	<b>10,994</b>
	<b>760</b>	<b>780</b>
	<b>14,422</b>	<b>14,150</b>